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Japan

Miyazawa on Need for Burden Sharing With U.S.

OW2801093293 Tokyo KYODO in English 0916 GMT 28 Jan 93

[Text] Tokyo, Jan. 28 KYODO—Prime Minister Kiichi Miyazawa said Thursday that Japan and the United States need to share burdens in the spirit of equal partnership and friendship to achieve mutual prosperity. Speaking before the House of Representatives Budget Committee, Miyazawa said there are different areas in which the two nations excel and no one in either country doubts the need for an equal partnership. The prime minister said Japan should make efforts to slash its ballooning trade surplus with the U.S. while continuing to point out America's problems.

Referring to what tends to be seen in Japan as Washington's unilateral demands for Tokyo to shoulder more of the burden in various spheres, Miyazawa sought understanding of the U.S. military role in Japan's national security.

"With heartfelt assistance from America, Japan has developed into what it is today," the premier said. It is natural that Japan and the U.S. work together for the world peace and stability, he said.

Miyazawa made the comments in reply to questions by Hirotaka Akamatsu, the new secretary general of Japan's No. 1 opposition Social Democratic Party, and Yozo Ishikawa of the ruling Liberal Democratic Party.

Turning to his official trip to four member states of the Association of Southeast Asian Nations (ASEAN) earlier this month, Miyazawa said he visited the countries to look into what role Japan can play in tackling challenges in "the brightest spot in the world." He visited Indonesia, Malaysia, Thailand, and Brunei from January 11 through 18. He said he intends to invite to Tokyo the top leaders of Singapore and the Philippines in the first half of this year to complete direct talks with all ASEAN leaders.

Concerning measures to jump start Japan's faltering economy, Miyazawa rejected a call for income tax reductions and instead asked the Diet panel to move for early passage of a 72.35 trillion yen draft budget for fiscal 1993, which starts April 1.

"We proposed this budget bill for Diet deliberations as the best we could offer," he said, adding it was not the time for him to get into discussions on other things until after its enactment.

Akamatsu, who took the SDP's No. 2 post January 19, urged income tax cuts of between 4 trillion and 5 trillion yen to stimulate personal consumption and investment as a means of bolstering the weak economy.

Chiming in with Miyazawa, Finance Minister Yoshiro Hayashi said reducing income taxes would end up encouraging people to save, rather than spend more. The finance minister also said it is not impossible for Japan to attain the government target of 3.3 percent economic growth in real terms in fiscal 1993, though he is not envisaging a rapid economic recovery.

On the political front, Miyazawa declined to prod former Prime Minister Noboru Takeshita into quitting the Diet for his alleged involvement in the Tokyo Sagawa Kyubin money-and-mob scandal. Despite a public and opposition chorus calling for the veteran politician's resignation from parliament, the premier said Takeshita's status as a lawmaker is based on the mandate given him by voters and only he can make the decision.

Takeshita reportedly sought help from a gangland boss via political heavyweight Shin Kanemaru in quelling a right-wing group's smear campaign against him in 1987, when he was seeking to become prime minister.

Asked on a possible policy shift in Japan's nuclear energy program on the use of plutonium, Mamoru Nakajima, director general of the Science and Technology Agency, said the nation plans to stick to the current scheme, including shipments of reprocessed plutonium from Europe.

Japan recently came under fire for transporting a ton of plutonium by ship from France to Japan as the first of planned shipments of about 30 tons of the extremely toxic substance over the next 20 years.

Watanabe Plans U.S. Visit 11-14 Feb

OW2801094193 Tokyo KYODO in English 0931 GMT 28 Jan 93

[Text] Tokyo, Jan. 28 KYODO—Foreign Minister Michio Watanabe plans to visit the United States in mid-February to open dialogue with the new U.S. Administration of President Bill Clinton, Foreign Ministry sources said Thursday. The sources said Watanabe has asked for Diet approval to make the journey.

Cabinet ministers are required to get Diet approval for overseas trips while the parliament is still in session. A regular session of the Diet opened last Friday for a 150-day term.

The Japan Broadcasting Corp. (NHK) said Watanabe will visit the United States from February 11 to 14 to meet Secretary of State Warren Christopher, and possibly Clinton.

To Open 'Full-Scale' Dialogue'

OW2801114593 Tokyo NHK General Television Network in Japanese 1000 GMT 28 Jan 93

[From the "NHK News" program]

[Text] Foreign Minister Michio Watanabe will fly to the United States on 11 February to open political dialogue with the new U.S. Administration. During the four-day

trip, Mr. Watanabe will meet with Secretary of State Warren Christopher and probably with President Bill Clinton. They are expected to discuss such issues as trade, Asian diplomacy, and other matters.

The Japanese Government feels that it is necessary to open direct bilateral talks with the United States about political and economic issues as soon as possible, now that the Democrat administration has been inaugurated in the nation for the first time in the last 12 years. In response to a Japanese overture, U.S. Secretary of State Warren Christopher conveyed his willingness to meet with Mr. Watanabe through the diplomatic channel.

Mr. Watanabe replied to the U.S. offer by saying that he would like to visit the United States between 11 and 14 February if the Diet approves his leave during the session of the lower house budget committee. In addition to Mr. Christopher, Mr. Watanabe also hopes to meet with President Clinton. He wants to launch a full-scale political dialogue with the new U.S. Administration led by President Clinton, who is strongly in favor of economic restructuring in the nation.

There is growing concern in Japan that President Clinton will press Japan to open its markets harder than did his predecessor George Bush. Mr. Watanabe wants to promote policy coordination between Japan and the United States. To achieve this objective, he is likely to propose setting up a panel on improving bilateral economic structures from a long-term viewpoint.

Regarding international politics, Japan is concerned about the future course of the U.S.-Chinese relations because of Mr. Clinton's emphasis on human rights. Mr. Watanabe will call on the United States to keep extending the most-favored-nation status to China, to avoid isolation of that country from the international community. Also, he will bring up other Asian issues such as U.S.-Vietnamese relations.

Spring Suggested for Miyazawa-Clinton Summit

OW2801091693 Tokyo KYODO in English 0908 GMT 28 Jan 93

[Text] Tokyo, Jan. 28 KYODO—Japan envisages the first meeting between Prime Minister Kiichi Miyazawa and U.S. President Bill Clinton as a chance to enhance "mutual understanding" of each other's economic policies rather than an occasion to make specific economic pledges, the top government spokesman said Thursday. Chief Cabinet Secretary Yohei Kono said Japan will make talks on "the overall situation" a top priority.

"Japan and the United States account for 40 percent of the world's GNP (gross national product)...and establishing mutual understanding on economic policies is important," Kono told a regularly scheduled news conference. Japan is also prepared to settle pending economic issues raised during the administration of former President George Bush, Kono said. He said he has no information about an alleged U.S. demand, reported in the Japanese media, that Miyazawa will be welcome in Washington only if he brings concrete ideas on how to redress the trade imbalance. Japan's trade surplus with the United States rose for the second straight year in 1992, reaching 43.67 billion dollars.

U.S. Trade Representative Mickey Kantor has identified action on raising U.S. exports of microchips to Japan and increasing duties on Japanese minivan exports to the U.S. as important trade issues for the Clinton administration.

No date has been set for a meeting of the top government leaders, but Japanese Government sources have suggested the spring as a possibility.

U.S. Preliminary Ruling on 'Dumping' Viewed

OW2801032993 Tokyo KYODO in English 0320 GMT 28 Jan 93

[Text] Tokyo, Jan. 28 KYODO—Japan's trade ministry expressed regret Thursday over a preliminary ruling by the U.S. Government to impose penalties on steel imports from Japan and 18 other countries. In the preliminary ruling Wednesday, the U.S. Commerce Department said Japanese steel products were being dumped on the U.S. market at prices lower than charged in Japan for the same product.

"It is deeply regrettable that the apprehension over possible damage to the normal steel trade has now become a reality through the preliminary ruling," the Ministry of International Trade and Industry (MITI) said in a statement.

"Japan is greatly concerned that the confusion may become even worse in the future," it said. In June last year, major U.S. steelmakers filed as many as 84 antidumping and countervailing petitions, for which the U.S. International Trade Commission made a preliminary finding last August that foreign steel imports have harmed the U.S. steel industry. MITI contends that Japanese steel imports could not have damaged the U.S. steel industry as a voluntary restraint arrangement was in place until the end of March last year.

U.S. imports of Japanese steel—including hot rolled, cold rolled and corrosion-resistant steel—together amounted to 991,000 tons or 674 million dollars worth in the January-October period last year, compared with 1,092,000 tons or 919 million dollars worth in 1991, according to the ministry.

No Japan-U.S. steel deals have been struck for the past two months and bilateral transactions may be suspended as a result of the preliminary ruling, ministry officials said. Japan strongly hopes U.S. authorities "will pass truly impartial judgments in the subsequent proceedings on this matter," the MITI statement said. It also said the massive amount of petitions filed by U.S. steelmakers poses a serious obstacle to negotiations on a multilateral steel trade agreement now in progress, which would be beneficial not only to the U.S. but also to steel industries

worldwide from the medium- and long-term viewpoint. It is, therefore, necessary to resolve the dumping issue appropriately so that the negotiations can progress, it said.

The Foreign Ministry, in a separate statement, echoed the sentiments expressed by MITI and said Japan will "examine carefully" whether the preliminary determination is consistent with provisions of the General Agreement on Tariffs and Trade (GATT). The statement said Japan "is of the view that the real problems of the U.S. steel industry stem largely from domestic causes." It called on the U.S. Government to take measures "appropriate to the true nature of the problem."

MITI To Ask for Fair Judgments

OW2801081893 Tokyo KYODO in English 0808 GMT 28 Jan 93

[Text] Tokyo, Jan. 28 KYODO—Japan's vice trade minister expressed his intention Thursday to ask the U.S. Government for fair judgments in its ruling to slap antidumping duties on steel imports.

Vice International Trade and Industry Minister Yuji Tanahashi told reporters, "we will use every opportunity to call upon the U.S. Government to pass impartial judgments on the issue." The U.S. Commerce Department on Wednesday made a preliminary decision to impose penalties on steel imports from Japan and 18 other countries, claiming these imports were being dumped on the U.S. market at prices lower than charged in home markets for the same products.

Tanahashi said, "We cannot believe that Japanese steel products could have damaged the U.S. steel industry." "We know the plight of the U.S. industry. But excessive competition in the U.S. is the cause of it," he said. Tanahashi said his ministry has no intention at present of seeking a government-level discussion with the United States.

Auto Exports to U.S. Decreased in 1992

OW2801101493 Tokyo KYODO in English 0902 GMT 28 Jan 93

[Text] Tokyo, Jan. 28 KYODO—Japan's vehicle exports fell in 1992 for the seventh straight year, sliding 1.5 percent to 5,667,666 vehicles, the Japan Automobile Manufacturers Association said Thursday. But measured in value, exports of finished cars grew for the third year in a row, rising 9.2 percent to 61.54 billion dollars because of a stronger yen that boosted the value of exports in dollar terms, the association said. The expansion also apparently reflected a shift among Japanese automakers toward luxury models from low-price models as shown in official trade statistics in auto trade.

Exports to the United States, the biggest export market for Japanese automobiles, shrank for the sixth year in a row, marking a 14.6 percent dip to 1,773,252 vehicles. Association officials attributed the decline to a reduction in Japan's voluntary quota on auto exports to the United States to 1.65 million vehicles for fiscal 1992 from 2.3 million in fiscal 1991.

Exports to the United States also fell in value terms for the first time in two years, taking a 4.7 percent tumble to some 23.4 billion dollars, the association said. Exports to the 12-nation European Community (EC) fell 6.2 percent to 1,185,192 vehicles, the first decline in 10 years, mirroring a slump in the European car market and regulations on auto imports from Japan.

Exports increased in other areas, particularly to Latin America, rising 38.2 percent to about 370,000 vechiles, and the Middle East, jumping 36.6 percent to around 510,000 vehicles.

In December alone, overall vehicle exports fell 13.3 percent from a year earlier to 436,771 vechiles, the association said. The officials attributed the decline to a sharp 47.7 percent drop in exports to the EC due to voluntary curbs on auto exports by Japanese automakers.

'Probable' U.S. Military Cuts Cause Anxiety

OW2801133493 Tokyo KYODO in English 1308 GMT 28 Jan 93

[Text] Tokyo, Jan. 28 KYODO—The probable reduction of U.S. forces in Asia is creating an urgent need for new regional mechanisms to ease the danger of potential conflict, according to a report released by an independent Japanese think tank Thursday.

There is "considerable anxiety" about the future U.S. military presence in the region, which will "inevitably" be cut, says the research institute for peace and security in the 1992-1993 edition of its annual report, titled "Asian Security."

"The cold war served as a lid on a variety of causes for conflict, and its demise requires the creation of a regional framework to replace the old order," the report says, citing "considerable potential for regional conflict." It says maintaining the U.S. presence is indispensable until a security framework for the region is put into place.

"Even after such a framework is established, it would not make sense to exclude the U.S.," the report says, noting the U.S. is needed as a counterbalance to expanding powers such as India, China and Japan.

Keio University Prof. Yoshihide Soeya, one of the report's authors, told a news conference that North Korea's efforts to acquire nuclear capabilities, uncertainties on China's future, and the wobbly peace in Cambodia are possible sources of conflict in the region.

Retired Ground Self-Defense Force Lt. Gen. Katsuichi Tsukamoto said he believes Pyongyang has the researchers and material needed to fabricate nuclear weapons, but the estimated 1 billion dollar cost posed a

problem. Tsukamoto, executive director of the institute, estimated North Korea could develop a nuclear device within three to eight years.

Soeya said researchers were divided on China's potential for posing a regional threat. Some are concerned about Beijing as a military power, and others are worried about possible disintegration of China due to internal instability, he said.

The report expresses concern the United States seems to have given up "any leadership role in the creation of a 'new world order'." Increased U.S. attention to domestic economic priorities could also become an incentive for Asian nations to move away from the U.S. economically, it says.

However, "many Asian nations still feel that even the weaker U.S. economy is an important counterbalance to prevent Japan from taking the U.S.' place and become overwhelmingly powerful in Asia."

Differences between the U.S. and Southeast Asian nations over whether to put priority on economic development or increased democratization are also a "latent source of conflict," it says. It says Japan's shared view with other Asian countries that priority be given to economic development has encouraged the 're-Asianization' of Japan, and is helping Japan overcome regional distrust lingering from its aggression during World War II.

The think tank attributes rapid economic growth in the region in part to the "stability provided by authoritarian governments" over the past two decades. But it says as Asian states move toward more democratic rule under pressure from a growing middle class, greater instability and fluidity will prevail.

"A return to authoritarian structures is no answer," it says, welcoming the U.S. role in promoting democratization in Asia.

PRC Proposes Joint Central Asian Oil Projects

OW2801140993 Tokyo KYODO in English 1337 GMT 28 Jan 93

[Text] Tokyo, Jan. 28 KYODO—China has proposed that the Japanese private sector join it in undertaking oil development projects in the former central Asian Soviet republics of Kazakhstan and Uzbekistan, a retired Japanese diplomat said here Thursday.

Hiroshi Hashimoto, Japan's ambassador to China from November 1989 through 1992, told an audience that high-level Chinese figures had suggested to him that China could provide the technology and manpower for the endeavor, while Japan could provide the necessary funds. The former envoy said he was also told that since transportation to Japan would be costly, the oil could be made available for consumption in China, while a commensurate amount taken from China's northeastern oil fields could be exported to Japan.

The idea is believed to have stemmed from Chinese Foreign Minister Qian Qichen's official visit last November to Kazakhstan and Uzbekistan, when the joint exploration of mineral resources was reportedly discussed. Kazakhstan is reportedly considering a new law to attract foreign oil companies, which is to go to parliament for debate and approval before the legislative session ends in mid-February.

Meanwhile, the CHINA DAILY reported earlier this month that the China National Petroleum Corporation plans to set up a new subsidiary to work with foreign petroleum developers to develop both domestic oil fields and those in other countries. Japan, largely dependent on oil imported from the Middle East, has been keen to diversify its sources.

Mission Planned to Four Central Asian States

OW2801140393 Tokyo KYODO in English 1114 GMT 28 Jan 93

[Text] Tokyo, Jan. 28 KYODO—Japan will send a mission to four former Soviet republics in Central Asia next month to study the possibility of economic cooperation, government officials said Thursday. The mission will visit Kazakhstan, Uzbekistan, Kyrgyzstan, and Turkmenistan from February 7 through 20 to explain Japan's foreign aid mechanism and hear their requests for Japanese aid, the officials said. The mission will consist of officials from the Foreign, Finance, and International Trade and Industry Ministries and the governmental Overseas Economic Cooperation Fund (OECF). The OECF is Japan's main foreign aid agency, providing low-interest loans to developing countries.

Briefing on Prince's Trip Postponement Planned

OW2801132493 Tokyo KYODO in English 1002 GMT 28 Jan 93

[Text] Tokyo, Jan. 28 KYODO—Japan will soon send a special envoy to six Middle East nations to brief them on the postponement of Crown Prince Naruhito's trip to the countries, government officials said Thursday. The government will take the decision at Friday's cabinet meeting, the officials said.

Takashi Onda, a former ambassador to Saudi Arabia, will leave Tokyo on Saturday for a weeklong visit to Oman, Qatar, Bahrain, the United Arab Emirates, Saudi Arabia and Kuwait. He will carry with him personal letters from the crown prince and Foreign Minister Michio Watanabe.

On January 19, the government announced the postponement of the crown prince's visit to the six countries, citing heightened tension between the United States and Iraq. The prince was originally scheduled to visit the Persian Gulf states for two weeks from January 21 for what would have been his last overseas trip as a bachelor.

Firm Says Ministry Approved Export to Iraq

OW2801001893 Tokyo KYODO in English 0003 GMT 28 Jan 93

[Text] Tokyo, Jan. 28 KYODO—A mainframe computer sold by NEC Corp. to Iraq which was claimed to have been used in its nuclear weapons program was exported with the permission of the Ministry of International Trade and Industry (MITI), NEC officials said Thursday.

The Vienna-based International Atomic Energy Agency (IAEA) said Wednesday that Baghdad had used the NEC general-purpose computer for its program to develop nuclear weapons.

An NEC spokesman said, "It is true the company shipped computer to Iraq. But we got approval from MITI for the export." He said NEC agreed in 1983 with Iraq's national computer center, which it understood was in charge of education, to export the computer—the multipurpose Acos750 model—and completed the shipment in January 1985.

The export did not violate rules set by the Coordinating Committee for Multilateral Export Controls (Cocom), an international watchdog body on exports of strategic technology by Western countries, the spokesman said.

"At the time the computer was exported, Iraq was regarded as a friendly nation toward the United States, as the U.S. and Iran were in a state of confrontation," he said. The Iraqis made no request for servicing of the computer even though it was provided for by the sales contract, he said. Software provided with the computer was also of a multipurpose type which was outside Cocom regulations, he added.

Tokyo Tells Burma of Concern About Democracy

OW2801122393 Tokyo KYODO in English 1206 GMT 28 Jan 93

[Text] Tokyo, Jan. 28 KYODO—Japan told Myanmar [Burma] on Thursday it strongly hopes to see a national convention scheduled to reconvene Monday lead to an early end to military rule and an improvement of human rights in the country, Foreign Ministry officials said. Officials said the message was conveyed to Myanmar Ambassador U Thein Han, who was called in for a meeting with Tadashi Ikeda, chief of the ministry's Asian Affairs Bureau.

Ikeda was quoted as saying Japan and the international community as a whole are "watching very carefully" how the constitutional convention will proceed. Ikeda also told the envoy Japan "considers it extremely important that the national convention will lead to an early transfer of power to a civilian government and to the improvement of human rights based on the will of the people."

The convention, which is intended to discuss principles for a new constitution, was abruptly adjourned by the military junta only a day after it first began on January 9.

The junta, called the State Law and Order Restoration Council (SLORC), excluded large numbers of prominent politicians from the convention and made it clear that a leading political role for the military must be enshrined in the future constitution.

Japan has repeatedly called on the Myanmar Government to transfer power to the pro-democracy winners of the 1990 election. But the junta has said it will not yield power to a civilian government until after a new constitution is drafted. It has given no timetable for the drafting process.

SRV Loans To Resume With Export Finance

OW2801140193 Tokyo KYODO in English 1132 GMT 28 Jan 93

[Text] Tokyo, Jan. 28 KYODO—The Export-Import Bank of Japan will resume its loans to Vietnam with those for Japanese exporters willing to do business with the Vietnamese, the bank's chief said Thursday.

Mitsuhide Yamaguchi, the bank's governor, told a press conference that the bank will consider extending export financing after the Ministry of International Trade and Industry (MITI) unfreezes its trade insurance for Vietnam. Loans aimed at guaranteeing the security of Japanese investments in Vietnam will be also resumed if requests are made, but only selectively, he said.

Japan suspended its loans to Hanoi in December 1978 in protest against the Vietnamese invasion of the neighboring Cambodia. Tokyo ended the 14-year suspension last November, promising a 45.5 billion yen commodity loan.

Yamaguchi also attributed the delay in Japan's provision of its pledged 100 million dollars in humanitarian aid to Russia to sluggish procedures by the Moscow Government for guaranteeing its repayments.

"I think the slow procedure is due to the cabinet reshuffle at the end of last year," he said.

Asked about another 100 million dollars in aid planned to be extended to the three Baltic nations, he said Estonia is likely to get 20 million dollars, Latvia 35 million dollars, and Lithuania 45 million dollars.

Trade Figures Discuss Impact of EC Unification

932A0081A Tokyo TSUSAN JANARU in Japanese Oct 92 pp 8-14

['Roundtable' discussion on EC unification and Japan's response by Takashi Kitaoka, chairman, Electronic Industries Association of Japan; Hisao Mitsuyu, deputy chief editor, ASAHI SHIMBUN; Sosaburo Okamatsu,

director, International Trade Policy Bureau, Ministry of International Trade and Industry: "Love and Hate of Far-Away EC Unification"]

[Text] Europe has a complex ethnic makeup, economic disparities, and historical antagonistic relationships, and a record of twice having brought about world wars in the past. Now a great experiment that has been a great dream for mankind is moving forward. Transcending ethnicity, language, and the past, it is seeking to achieve perpetual peace and economic growth.

For our nation, is not Europe psychologically remote, even more than it is physically remote? Do we not surprisingly lack the point of view of going to Europe by direct flights via Siberia, rather than via Anchorage?

EC trends hold the possibility of ordaining not only its economic ties to Japan, but also a world setup for the 21st century. In this special section, we have tried purveying information by a direct flight.

What historical significance does EC market unification have; and how must Japan build Japan-EC relations from now on? We discussed this broadly.

Aim of EC Market Unification

[Okamatsu] I would like for us to proceed with a talk on the present status of EC unification, targeted for the end of 1992, as well as its outlook hereafter, the effects it will have on Japan, and so on. First, to begin, may I hear from Mr. Mitsuyu about what kind of goal EC unification started with.

[Mitsuyu] To understand the tide of EC unification, I would put it into order by going back to its past, to 1 January 1958, when the EC's predecessor, the EEC, started out. It was born as a consequence of World War II in Europe. After all, the two major powers, France and Germany, had fought each other twice in this century, bringing on two world wars. There were various causes for that; but basically one was, first of all, clashes over coal and steel resources, and another had the economic context of income disparities between German and French farmers, based on differences in natural conditions. So, it means that a so-called unification in the interest of peace, seeking to eliminate the sparks for war through economic mechanisms, was the EC's starting point.

However, amid the great changes in global economic structure that started with the currency crises and oil shocks of the 1970's, Europe fell far behind Japan and the United States. For that reason, EC market unification targeted for the end of 1992 had, from the first, the goal of restoring a European economy that had dropped behind Japan and the United States. In that sense, EC unification can truly be said to have been for the economy.

[Okamatsu] When it started as the EEC and had a total population of 170 million and a gross domestic product [GDP] of $140 billion, although its population was about even with that of the United States, its GDP was only about one-third that of the United States. But now, having expanded to the 12-nation EC of today with a population of 340 million and a GDP of $6.2 trillion, it surpasses the United States and has placed itself into position in the tripolar structure of Japan, the United States, and Europe. Further, in the new situation of the collapse of the Soviet Union and eastern Europe, it is eager to expand further.

I think this may be the great change of this period. Now, when we look at how it has prepared for market unification from the procedural aspect, there are 282 items in the various agreements necessary for four types of liberalization: people, things, resources, and services. Of these, 238 items have already been adopted by the directorate (as of 15 June); and their enactment into law in the various countries is well along. Still remaining are such issues as tax systems and quarantines; but it is expected that these, too, may somehow clear and allow progress toward the single market.

Under such conditions, while the advantages of market expansion will emerge fully for EC industry, I think it also harbors the problem of risking expanding at one stroke the relationships of the strong to the weak. Mr. Kitaoka, please comment on the latest trends in the EC market for EC industries.

[Kitaoka] If I may speak from the viewpoint of the electrical industry, at present I do not sense any conspicuous changes in the EC market for our business.

But, as we were watching to see if at the time of EC unification the European market would change in quality and spread, and furthermore to see if the former Soviet-East Europe area would be added in, bringing on some kind of moves, we first saw striking moves emerge on the part of Europe's electrical makers. That is, what became conspicuous were moves trying to gain the strength to counter Japanese and U.S. industry through mergers and acquisitions (M&A).

Another is that the EC announced that for such high-tech products as semiconductors they will not recognize them as EC-made unless they are made there from the preliminary stages. Because of that, Japanese manufacturers have moved into Europe with plants including the preliminary stages of semiconductors. We may say that the need to locate leading-edge industries there arose as an indirect effect of EC unification.

[Mitsuyu] I think the aims of EC unification are truly as Mr. Kitaoka has indicated. I was in Brussels as a correspondent in the mid-1980's, when the EC nations were trying to draw up the program for 1992 market unification. At that time, one European home appliance producer, the president of Philips, said this at the start of a speech: "Some day, the United States may become the world supplier of agricultural products. Japan may become the world supplier of industrial products. Europe may become their playground."

What he was trying to say was that so long as Europe was divided into the small markets of its constituent nations and could not pursue the advantages of scale, would it not be quite natural that it could not contend with the United States and Japan, which each have large populations and large markets under a single national sovereignty. I remember being deeply impressed that in the same vein EC chairman Delors, whenever he had the opportunity, always said, "With things like this, Europe will become a history museum. It must not be so."

By removing the economic barriers and making it a single market, to outdo the United States and Japan with the advantages of scale—this was the aim of EC market unification. One may say that aim already has achieved considerable results. The reason is that, whereas it had been enough so far to be a representative manufacturer in one's own nation, now tie-ups and mergers are taking place with an awareness that one has to be a manufacturer representing Europe so as to pursue economies of scale. I think the 1992 program has already achieved great success.

Denmark Shock and Its Aftermath

[Okamatsu] In December last year, agreement was reached on the Maastricht Treaty; and since then moves have begun that point toward a unified currency and political union; but this June the Denmark shock happened, and this may have not only highlighted EC unification's dissociation from thinking at the level of Europe's citizens, but also was an opportunity to reflect once again on the problem of disparities between large and small nations and rich and poor nations all included within the European area, as well as the problems in adjusting EC policies to the policies of each individual nation—that is, the so-called problem of "subsidiarity." Mr. Mitsuyu, how do you see it?

[Mitsuyu] It is my understanding that the new moves for unification of the European nations symbolized in the Maastricht Treaty had a very different starting point from the EC's market unification. I mean, if we do not keep in mind that the turmoil in Europe's political and economic order beginning back at the time of the 1989 democratization of eastern Europe were the reason for the strong progress toward agreement on the Maastricht Treaty last December and its signing in February this year, we cannot understand the Denmark shock.

I say that because military affairs had been left to NATO, and building a cooperative setup on the economic front has been the chronicle of the EC. Those were mechanisms both to keep war from occurring again in Europe and also to serve as the Western nations' economic alliance under the cold war structure. But the upheavals that arose over these three years brought about a fundamental metamorphosis in the character of the West's economic alliance called the EC, bringing it face to face with the issue—for the first time since the war—of restructuring the economic and political order of a Europe stretching across the entire Eurasian continent. In particular, Germany's unification, making it a nation nearly twice as large even in population, became a lever for advancing an even greater European unification not limited to economics.

At that point, the small, well-off nations felt uneasy about what would happen to their sovereignty and to the abundance they had attained. Denmark is truly the model of a small, rich nation; and a sense of confusion toward a European unification moving too fast became the June expression of the will to oppose ratifying the Maastricht Treaty. Moreover, I see European unification as having reached a crossroads in the sense that now an uneasiness that had been latent in many countries has burst forth.

[Okamatsu] I believe it is significant that the EC is broadening spatially, too. Concretely, an agreement was signed in May 1992 which will initiate in 1993 the EEA (European Economic Area), which includes the seven nations of the EFTA (European Free Trade Association). Moreover, from among EFTA member nations there have come applications for participation in the EC. Also, an alliance agreement has been drawn up among Poland, Hungary, and Czechoslovakia, where reforms are proceeding. I think it is natural that such further spreading may have a great impact on the world economy; but what do industrial circles think about the expanding European market?

[Kitaoka] In the sense of market expansion that would include eastern Europe, for a time we sold quite a few home appliances, especially in the former east Germany, Hungary, Poland, and Czechoslovakia; but this was while they had so-called hoarded cash. So, I do not think it is a substantive change for Japan's electrical industry. Nevertheless, I think that, at least for the rest of this century, we cannot ignore the fact that the EC is expanding even while segmenting factors such as strong ethnic awareness and religious issues exist. Another thing is that east Europe has long been like Europe's own yard, so that the emotional receptivity when EC businesses go in, in contrast to that when Japanese businesses go in, may be quite different. Consequently, I think we will need to give adequate heed to the way we go in there.

To put it concretely, when we go into the former east European bloc, might we not need to go in jointly with EC enterprises moving in there or to provide technical assistance there, so that we are entering in an indirect way, so to speak. I am concerned that if we do not, we will see a great reaction. Since even our moves into the United States have aroused so much friction, we must avoid the folly of doing the same thing again.

[Okamatsu] In a word, is it that they have little familiarity with us? Particularly in recent years, as Japan's presence in the EC has rapidly risen, the EC side has come to want more penetration of Japanese businesses into local industries and local companies. As this interest expands along with the EC's own expansion, I think the method of which you just spoke will be effective.

[Kitaoka] Because I feel their way of thinking and commercial practices may differ from ours, various considerations and preparations will be needed.

[Mitsuyu] Not long ago, the tie-up between the Mitsubishi group and the Mercedes-Benz group and Fujitsu's capital participation in England's ICL became great topics of conversation; but I think that, broadly viewed, this is one link in their world strategy of trying to become stronger by tying up with Japan's technical power.

[Kitaoka] That is certainly so. Unfortunately, western Europe is less advanced in high-tech areas than the United States. I currently serve as chairman of the electrical industries association, and members of the EECA [European Electrical Components Association] say, "It is basic for us to preserve our independence, and it would bother us to have Japan come in too much." Yet, when we talk to individual firms, calls for some sort of technical assistance are strong.

Not only are there such substantive differences between the requests of separate enterprises and those of industries when they are in a group, but the views of the EC Commission are different again. For example, the other day the Japan-U.S. semiconductor agreement was concluded; the EC Commission said it wanted a similar agreement concluded also between Japan and the EC. But then, the EECA came out and said, "That is necessary also, but that alone is not adequate." So, we feel that, in dealing with Europe, as distinct from the United States, we may be unable to achieve a good balance unless we increase what we give.

[Okamatsu] As unification proceeds, how the EC Commission takes in the opinions of industry may go well; but since the EC Commission is also, on the other hand, promoting a policy of active competition, gaps may remain for some time between the EC Commission and industrial circles or individual firms. When the EC Commission comes to the forefront in negotiations, we will have to give full attention to that aspect.

[Mitsuyu] On that point, I think the present EC structure itself perhaps has problems. The EC Commission is not a transnational organ yet, but has jurisdiction in trade negotiations only and can almost exclusively decide foreign trade policy for the EC. At such times, when it is a bilateral relationship a give-and-take relationship comes into existence through direct investment and business; but in the case of the EC Commission, which is an integrated bureaucratic organ, it has the nature of inevitably giving weight to discontents, dissatisfactions and criticisms of Japan, and seldom judges the good aspects. How this will be unraveled is basically the EC's problem; but at the same time Japan will have to act carefully.

For Sake of Deepening Japan-EC Relations

[Okamatsu] I think that at the root of the joint Japan-EC declaration issued last year was the awareness of both sides that Japan-EC relations are not merely economic, but are broad in scope and include politics. When we look at Japan-U.S.-Europe tripolar relationships, that between Japan and the United States and that between the United States and Europe are secured by broad lines, but that between Japan and Europe are secured only by thin lines. So as to make it a broad line, is not the EC side also beginning to take up the relationship with Japan in a forward-looking way in order to add to the appeal of the Japanese market and to strengthen its competitiveness?

As an indication of that, the three core nations of Great Britain, Germany, and France recently made a positive approach to Japan; and the EC's document of conclusions about Japan issued in June certainly makes all sorts of requests of Japan, but strongly extols such things as industrial cooperation and cooperation in trade expansion. I believe we must respond positively to such EC approaches to Japan.

[Mitsuyu] I feel that when Japan-EC economic relations are seen from the EC side, the aspect may be strong that, while watching Japan-U.S. economic relations, it is requesting the same things of Japan that the United States requests. That is because vital relationships of mutual dependence have been incomparably weaker than those of Japan with the United States. So, responsibility for that lies not only with us, but also with Europe. Thus, if we want to make the Japan-EC relationship closer, both sides must endeavor to discover our mutual interests. Of late, Japan has made quite an effort towards Europe, and the European side also has finally come to make positive approaches to the Japanese market; but more and more mutual efforts are needed to broaden the Japan-EC relationship.

[Kitaoka] EC industrial circles are asking us for technical aid to raise their own technology a little higher, for businesses to come in to raise employment and to make it easier to sell EC products in the Japanese market; and Japanese industrial circles, insofar as possible, are taking actions in response to those requests. As just indicated, might we not say that it is doing all sorts of things just one beat after the United States?

[Okamatsu] I think we must take further active approaches so that a unified EC will not throw up walls against the outside but will take the open form that it should. Yet, as I said before, in that situation we must make a solid response to EC approaches. Above all else, with market unification close at hand, the fact that strengthening industrial competitiveness is a pressing need for the EC shows up even in the European alliance treaty, which incorporates working on readying conditions to strengthen industrial competitiveness. I think that, even on the economic front, we must hereafter stress industrial cooperation. The electrical industry association is taking the lead in the area of industrial cooperation; and from his position of actually advancing this, could we have Mr. Kitaoka speak on the outlook hereafter and matters relating to that?

[Kitaoka] Our highest duty to a corporation's stockholders is making profits, but that is not everything. To

earn profits in the future, the stance is needed of first giving what is to be given. The Japan Electrical Association for its part is trying such things as inviting technical missions to Japan, showing them suitable factories and offering advice; and then, as aftercare for that, we send delegations of Japanese technicians over there. Next, for the things that the EC pulls together and requests in such cases, we have to respond in that manner. But if one asks whether the EC requests truly meet the needs of individual countries and individual enterprises, it seems there are aspects in which they do not always. Therefore, to increase the fruits of cooperation, we must respond while looking closely at their content. In this area, I feel that, unlike that with the United States, it may be quite complicated.

Significance of Making Japan-EC Relations Close

[Okamatsu] To wrap this up, I would like to ask for your points on how we should view Japan-EC relations in a global perspective.

[Mitsuyu] As to my way of arranging the reasons we must make Japan-EC ties into a closer relationship, first of all, with the recent upheavals of East Europe's democratization, German unification, and the collapse of the Soviet Union, the place that Europe occupies in world politics and economics has become much larger. It is a great economic state; and Japan, which can preserve its economy only within global relationships of mutual dependence, must make its relationships close ones politically and of course economically with a Europe standing at a historic stage front.

Second, with the Japan-U.S.-Europe tripolarity, Japanese diplomacy, which had in the past been a two-legged diplomacy emphasizing Japan-U.S. relations, would be more stable with three legs. It is good to recognize that the main axis of Japan's diplomacy is the Japan-U.S. relationship; but to make it smooth and stable and so give consideration to Japan's comprehensive security and pursue our national economic interest, I think that it may be a good thing to deepen our relations with the one other pole, Europe.

And finally, making ours a nation with a real sense of abundance is now our national consensus; and the government also has raised the banner of "a great consumer power." Yet, Europe in many respects, such as its working style, enjoyment of leisure or its home life is the world's number-one great consumer power. It is carrying such negative factors as ethnic problems, unemployment problems and economic stagnation viewed in the long term; and yet there is much that we have to learn from a Europe which has achieved maturity as a great consumer power. I think that in that sense it is very important to know Europe better.

[Kitaoka] I feel the atmosphere of the United States and that of Europe are totally different. We have learned much from the United States about modernity, rationality, and progressiveness; but would not Japan become a better country if it absorbed that, should I say human, aspect from Europe. It has been an unavoidable process for Japan to be living solely for efficiency in "overtaking and surpassing," but to revise that course might we not have deep associations with Europe, even though it is rather conservative, and, by taking in its atmosphere, give the tone of the Japanese nation a better color? Doing so might eliminate needless misunderstandings and make it easier, with the misunderstandings gone, for industry to find the way to do things better.

[Okamatsu] You are quite right. In its postwar reconstruction period, Japan received much influence from the United States culturally and economically, but modern Japan since the Meiji restoration has had a history also of learning much from Europe. With the great opportunity of EC unification, I think it is necessary for both sides to strive to develop and deepen Japan-EC relations.

Measures Ordered To Recycle Trade Surplus

OW2801092393 Tokyo KYODO in English 0913 GMT 28 Jan 93

[Text] Tokyo, Jan. 28 KYODO—Prime Minister Kiichi Miyazawa said Thursday he has instructed government ministries and agencies to draw up a new plan to recycle Japan's huge trade surplus to developing countries.

Asked about measures to avoid friction with other countries triggered by Japan's trade surplus, which exceeded the 100 billion dollar mark last year, Miyazawa said Japan should think of measures to recycle some of its trade surplus to other countries. Miyazawa made the comment at a session of the House of Representatives Budget Committee in reply to a question by Yuzuru Shimazaki, vice chairman of the Social Democratic Party.

According to statistics announced by the Finance Ministry last week, Japan's merchandise trade surplus hit a record high of 107.06 billion dollars in 1992 mainly because of the higher value of the yen and sluggish imports caused by weak domestic demand.

As part of measures to reduce its growing trade surplus, Japan worked out a program to recycle a total of 65 billion dollars to developing countries from fiscal 1988 to 1992, which ends in March. The target, however, was achieved in June 1992, according to government officials.

Ministry To Contemplate Recycling

OW2801103293 Tokyo KYODO in English 1019 GMT 28 Jan 93

[Text] Tokyo, Jan. 22 KYODO—A top Finance Ministry official said Thursday the ministry will begin contemplating measures that will contribute to recycling some of Japan's mounting current account surplus to developing countries. The official said it is necessary to "do something" about the surplus but declined to elaborate on possible specific measures. But he said one of the problems with the scheme now is where to direct the flow of funds.

Russia is one of the countries that needs funds most but aside from the territorial issue that has kept Japan from making direct economic commitment to the republic, it is necessary to see how funds that were extended through international institutions are being managed, he said.

Prime Minister Kiichi Miyazawa said earlier in the day he has instructed government ministries and agencies to draw up a new plan to recycle Japan's huge trade surplus to developing countries.

The Finance Ministry last week announced that Japan's merchandise trade surplus marked a record 107.06 billion dollars in 1992, boosted by appreciation of the Japanese yen against the U.S. dollar and sluggish imports due to lackluster domestic economic conditions.

LDP To Question BOJ on Reported Leak

OW2801045993 Tokyo KYODO in English 0356 GMT 28 Jan 93

[Text] Tokyo, Jan. 28 KYODO—A panel of the ruling Liberal Democratic Party (LDP) is to quiz officials of the Bank of Japan (BOJ) on a newspaper report that a confidential document was leaked by the central bank to financial institutions, party officials said Thursday. They said the party's finance division will call BOJ officials to a meeting next Tuesday to ask them to explain the reported leak.

A major national daily, the ASAHI SHIMBUN, reported Wednesday that a document on Mitsubishi Bank, a top commercial bank, had been circulating among several financial institutions. It said the document, based on a regular survey conducted by the BOJ in 1990, referred to Mitsubishi Bank's merger strategy and named two possible merger targets. The newspaper did not identify the merger targets.

The LDP officials quoted the head of the party panel, Seiichi Ota, as saying, "It is necessary to hear directly from the Bank of Japan as well as concerned (private) banks." Many LDP members are voicing concern that the issue could undermine private banks' trust in the central bank at a time when the party panel is discussing measures to prop up the financial system. It is aiming to produce draft proposals by the end of March.

The head of the BOJ's bank supervision department, Koichi Takada, told reporters Wednesday that the central bank had been unable to confirm whether a leak occurred.

Mieno Discusses Money Supply Growth Trend

OW2801060093 Tokyo KYODO in English 0513 GMT 28 Jan 93

[Text] Tokyo, Jan. 28 KYODO—Bank of Japan Governor Yasushi Mieno said Thursday the trend for a slowing in the growth of money supply seems to be nearly over.

Mieno, appearing as a witness at the budget committee of the House of Representatives, attributed the current weakness of money supply growth to sluggish fund demand due to slower economic conditions and a prudent lending stance taken by financial institutions aiming to prevent any increase in bad debts. But he also said that the role of the money supply as a leading indicator of business conditions has lessened in Japan.

According to Bank of Japan statistics, the drop in money supply will remain at a level of 0.5 to 0.6 percent and bank officials said the bottom may be near. Mieno said, however, while financial institutions remain cautious in lending, which is rarely seen when interest rates are eased, he also sees some effort by the institutions to try to extend "healthy" loans.

Meanwhile, Mieno brushed aside calls for cutting the official discount rate amid lower short- and long-term prime lending rates saying the relation between the key lending rate charged by the central bank to commercial banks and market rates has weakened amid the liberalization of interest rates.

The decline of short- and long-term prime rates have been greater than that of the discount rate, where the former shed 3.7 percent in the current trajectory of credit easing. The discount rate has progressively been lowered from 6.0 percent in July 1991 to the current 3.25 percent.

'Sustainable' Economic Growth Predicted

OW2801045893 Tokyo KYODO in English 0328 GMT 28 Jan 93

[Text] Tokyo, Jan. 28 KYODO—Regional economies remain in an adjustment stage but a government package of pump-priming measures is expected to help secure future sustainable growth focusing on domestic demand, heads of local Ministry of Finance (MOF) bureaus reported Thursday.

Ministry officials quoted the bureau chiefs as saying in the first of two days of talks that consumer and corporate plant and equipment spending remains sluggish but housing investments are recovering and public works spending is being conducted smoothly. They said local large-lot retailers such as department stores were not performing well but some discount shops are boosting their turnovers.

"Consumers seem be becoming increasingly realistic" about consumption, a ministry official said.

It was also reported that capital spending remains weak particulaly among manufacturers but all the bureau heads said the housing sector is recovering helped by lower interest rates.

Participants from the Tohoku and Kanto regions said public works spending is increasing immensely due to front-loading of such investments under the government's 10.7 trillion yen pump-priming package.

A bureau chief from Hokkaido gave an optimistic view about the economy, saying it should gradually recover helped by the pump-priming package.

Vice Trade Minister Urges Lower Lending Rate

OW2801080593 Tokyo KYODO in English 0723 GMT 28 Jan 93

[Text] Tokyo, Jan. 28 KYODO—Japan's vice trade minister urged financial institutions Thursday to further cut their lending rates to help prop up the ailing economy. Yuji Tanahashi, vice international trade and industry minister, said at a press conference, "spreads between lending and deposit rates remain wide, failing to reach an expected level."

"Small and medium-sized companies are making strong calls for a cut (in lending rates)," Tanahashi said.

Tanahashi acknowledged that industrial production figures for December released Wednesday were worse than expected. For additional measures to salvage the sluggish economy, Tanahashi said his ministry is studying investment in such fields as information infrastructure, education, medical care, and welfare, as well as conventional public works like road construction. He avoided clarifying his position on income tax reduction, only saying, "I'm neutral."

Funada 'Negative' on Income Tax Reduction

OW2801050493 Tokyo KYODO in English 0448 GMT 28 Jan 93

[Text] Tokyo, Jan. 28 KYODO—Economic Planning Agency (EPA) Director General Hajime Funada took a negative stance toward calls for an income tax cut in a meeting with business leaders Thursday, EPA officials said. Funada told senior officials of the Japan Association of Corporate Executives (Keizai Doyukai) that the effect of a tax reduction would be questionable in the present economic climate, they said.

But Funada hinted that if such a tax cut is needed it would still be possible, saying the government would carry out prompt measures, by carefully watching development in the economy.

A Keizai Doyukai official said the nation's economy is in severe conditions and many business leaders are pessimistic. He said most companies believe Japan's economic growth rate in 1993 will be only about 2.5 percent, and that no recovery is likely until late in the year.

International Phone Translation Test Succeeds

OW2801101393 Tokyo KYODO in English 0919 GMT 28 Jan 93

[Text] Kyoto, Jan. 28 KYODO—Researchers from Japan, the United States, and Germany successfully carried out Thursday the world's first automatic telephone translation experiments. The researchers succeeded in linking Kyoto and Pittsburgh, Pennsylvania, and Kyoto and Munich with calls of about 15 minutes each using an automatic telephone translation device. They used television telephone lines to confirm the translations worked.

The experiment was jointly carried out by Japan's Advanced Telecommunications Research Institute International, Carnegie-Mellon University of the U.S., and Siemens of Germany. About 300 people looked on as the experiments were carried out at the Kansai culture, academy and research city in Kyoto Prefecture. A computer converts the speaker's voice into a written text, translates from one language to another, sends the translation through telephone lines, and converts it into sound, according to officials of the Japanese institution.

Japanese researchers asked their counterparts in Pittsburgh such things as the participating fee and discounts. Their counterparts in Pittsburgh were able to hear the English translation of the questions about 10 seconds later. At one point in the experiment linking Kyoto and Munich, the computer had trouble defining the speaker's voice.

The Japanese officials said they hope to put the system into practical use by the early 21st century for such purposes as making reservations for hotels and trains.

Mongolia

President Ochirbat Leaves for Russian Talks

OW1901060593 Tokyo KYODO in English 0501 GMT 19 Jan 93

[Text] Ulaanbaatar, Jan. 19 KYODO—Mongolian President Punsalmaagiyn Ochirbat left Ulaanbaatar for Moscow on Tuesday for talks with Russian leaders to promote political and economic relations between the two countries, officials said.

During his three-day stay in Russia, Ochirbat is scheduled to meet President Boris Yeltsin and other Russian leaders.

The Mongolian and Russian presidents will sign accords on economic, scientific, and cultural cooperation, the officials said.

Ochirbat is accompanied by Deputy Prime Minister Choyjilsurengiyn Purebdorj and Foreign Minister Tserenpiliyn Gombosuren.

Mongolia has encountered severe economic difficulties since the collapse in December 1991 of the Soviet Union, on which the landlocked country's economy almost completely depended, and it has an accumulated debt of about 10 billion rubles to Russia.

Mongolian Envoy on Future Ties With Buryatia

LD1401151293 Moscow ITAR-TASS in English 1048 GMT 14 Jan 93

[By ITAR-TASS correspondents Petr Tsyrendorzhiyev]

[Text] Ulan-Ude January 14 TASS—"Contact between Mongolia and Buryatia will continue to grow rapidly within the context of relations with Russia," ITAR-TASS was told by Mongolian Consul- General in the Buryatian capital Darzhaagiin Uziisaikhan.

"Mongolia's interest in the development of relations with this Transbaykal republic is legitimate and traditional," the diplomat noted. It is primarily due to the similarity of our traditions, cultures and languages. But most important is the fact that these relations have acquired a tangible background—broader commercial and economic relations, which now embrace all the spheres of the two national economies."

Today, Buryatia is a sort of a bridge into Russia for neighbouring Mongolia. Vice-Consul Yaichilyn Batsuur noted that relations between Mongolia and the former Soviet Union were hinged to domestic policies in the two countries. "Now they are to be restored on a qualitatively new basis," he stated.

North Korea

NODONG SINMUN Reacts to VOA Broadcast on U.S. Policy

SK2801030693 Pyongyang Korean Central Broadcasting Network in Korean 0024 GMT 28 Jan 93

[NODONG SINMUN 28 January commentary: "Unchanged Confrontational Attitude"]

[Text] According to a Voice of America [VOA] broadcast, Ackerman, newly appointed chairman of the Asia and Pacific Affairs Subcommittee of the Committee on Foreign Affairs of the U.S. Congress, said that the United States will continue to be involved in this region militarily because scars of the cold war exist in the Asian region, including the Korean peninsula. He also found fault with our nonexistent nuclear issue and babbled about some kind of continued collective pressure on our republic, strict nuclear inspection, and so on. This absurd remark distorts reality, is an expression of an openly hostile attitude toward our republic, an open provocation, and a threat.

Ackerman claims to be an expert on so-called Asia and Pacific affairs within the U.S. Congress. In reality, he is involved, to a certain extent, in drawing up U.S. policy toward Korea. He says he is better informed on the reality of the Korean peninsula than others. Why then did he make a remark so contrary to reality? We can only conclude that he has yet to free himself from the old cold war era mentality. Along with the end of the cold war, a phase of detente and peace are opening in various regions throughout the world. As he said, however, the scars of the cold war remain unchanged on the Korean peninsula and its neighboring countries.

The problem lies in why the scars of the cold war have not yet healed. If a fair-minded politician rooted in reality, he will be able to correctly see the essence of this problem. In a nutshell, the scars of the cold war were formed on the Korean peninsula by outside forces. They have not healed yet due to U.S. policy toward Korea.

It is a stark reality known to everyone that under the insidious purpose of inhibiting the influence of our style of socialism centered on the popular masses and gaining supremacy over our republic through strength, the United States is strengthening military domination, seeking military buildup in South Korea, and madly carrying out antirepublic military provocation and war maneuvers.

The North-South dialogue has been suspended, and the North-South agreement and the Joint Denuclearization Declaration have not been implemented. This, too, is because the United States has built an obstacle. Does Ackerman truly not know this?

He has said that the United States would continuously have a hand on the Korean peninsula militarily under the pretext of the scars of the cold war. This is, in essence, nothing but a remark that the United States would station its troops in South Korea forever and continuously step up its military blackmailing and adventure maneuvers against us. His remark is an act of instigating the new U.S. Government to unchangingly step up its policy of strength toward Korea.

The international community expects that the United States will change its policy toward Korea since the U.S. Government has changed hands. At such a time, Ackerman inspired confrontation and war fever, which are typical of the cold war era. This makes us conclude that he is a bellicose politician who does not want peace, is very attached to the policy of strength, and expects much from this policy.

Trying to continuously seize South Korea as a colonial military base and to militarily threaten and pressure us are not attitudes with which to remove the legacies of the cold war.

Ackerman has also babbled about our nuclear issue and the strict nuclear inspections of us. We cannot but consider this to be a very uncourteous, rash remark. It has been clearly revealed that the so-called nuclear threat is a falsehood and deception, and the peaceful nature of our nuclear policy has been confirmed. Nevertheless, the United States has tried hard to make people believe that this fiction is indeed fact, and has tried to use it as a means to impose international pressure on us. Ackerman made the rash remark in such an attempt.

The nuclear issue on the Korean peninsula should focus on the U.S. and South Korean part, for it is they, not we.

who must receive strict nuclear inspections. The United States and the South Korean authorities have announced that there are no nuclear weapons in South Korea. This is a lie.

Nuclear bases still remain in South Korea, and means of nuclear war loaded with nuclear weapons are continuously entering or leaving South Korea. The South Korean authorities have also been seeking to develop nuclear weapons.

The United States has announced that it would start the "Team Spirit" joint military exercise, a nuclear war exercise, despite opposition and denunciation at home and abroad. This is a deliberate maneuver to break up North-South dialogue and bring the situation on the Korean peninsula to the brink of dangerous war.

The United States must stop unjustly pressuring us, kicking up nuclear commotions against us, and staging the "Team Spirit" war exercise. Instead, it must do what is beneficial for the implementation of the Joint Denuclearization Declaration. This would lead the United States to fulfill its duty as the country concerned that is directly responsible for the problem of Korea's reunification. This would also be beneficial for improving DPRK-U.S. relations.

Clinton Faces Difficulty Keeping Campaign Promises

SK2801024693 Pyongyang Korean Central Broadcasting Network in Korean 1500 GMT 27 Jan 93

[Text] According to reports, the recently sworn in Clinton administration, faces serious challenges in meeting campaign promises. In its commentary, the 20 January edition of LA REPUBBLICA, an Italian newspaper, says: Clinton faces two imminent tasks which are are two challenges at the same time. One is to maintain U.S. international leadership, and the other is to prevent the United States from collapsing socially and economically and to build the new society promised during his campaign. The newspaper also reported that Clinton inherits sheer chaos and disorder in the international arena, adding: Although Japan still remains a U.S. ally, 66 percent of Americans consider Japanese people to be a new enemy. Europe is still friendly to the United States. However, it may undergo some geographical change centering on Germany. The Middle and Near East still remains a dangerous trap. It is doubtful whether Clinton can overcome these difficulties.

The 21 January edition of (TIEM POLE), another newspaper of this country, says: The Clinton administration faces four major challenges—the domestic economy, the Iraqi situation, the Bosnian war, and the Uruguay Round negotiations. Given the current status of the U.S. economy and the international trend, it will be difficult for the Clinton administration to fulfill its promises. In particular, it will be impossible to reduce taxes for the middle class, and it will be very difficult to obtain funds for investments in infrastructure.

The 20 January edition of (POLITITSEN), a Danish newspaper, says: Clinton inherited a large budget deficit and trade deficit from Bush, which has made it difficult for him to fulfill his promise for economic growth. The newspaper also says: Although he is trying to do so, reducing the budget deficit is difficult. If he follows through on his campaign promise to reduce the armed forces, unemployment, already a difficult social problem, will rise.

Many newspapers of this country stress: It will be difficult for him to fulfill his campaign promises. The Clinton administration's future is not encouraging.

Radio Urges Fostering New Loyal Generations

SK2801024993 Pyongyang Korean Central Broadcasting Network in Korean 0121 GMT 26 Jan 93

[Unattributed talk: "Bringing up the New Generations To Be Communist Revolutionaries Faithful to the Party and the Leader Is a Basic Issue in Accomplishing the Chuche Revolutionary Cause"]

[Text] One of the most important issues in accomplishing the revolutionary cause is to foster the growing new generations to be communist revolutionaries. The cause of the working class is long-term, continuing generation after generation by breaking through repeated difficulties and trials. Only when we foster the growing new generations, who are heirs to the revolutionary cause, to be communist revolutionaries, can we continue the revolution generation after generation and accomplish to the end the socialist and communist cause.

Volume No. 1 of Kim Chong-il's Selected Works elucidates important principles and issues on fostering the growing new generations to be communist revolutionaries who are endlessly loyal to the party and the leader.

Various works contained in Volume No. 1 of Kim Chong-il's Selected Works, including "*On Improving and Strengthening Works of Youth League in Compliance With the Demand of Developing Realities*," "*Let Us Arm the New Generations With Paektu Revolutionary Spirit*," and "*On Further Strengthening Indoctrination of the Revolutionary Tradition Among the Youth*," comprehensively expound all theoretical and practical issues on fostering the growing new generations to be chuche-type communist revolutionaries.

The important ideas and theories elucidated in the works assert that fostering the new generations to be communist revolutionaries loyal to the party and the leader is a basic issue for accomplishing the chuche revolutionary cause. The ideas and theories expounded in Volume No. 1 of Kim Chong-il's Selected Works are guidelines to which the working-class party should consistently adhere in accomplishing the revolutionary cause. Because Volume No. 1 of Kim Chong-il's Selected Works expound such valuable theoretical and practical issues and give scientific answers, this book shines as an immortal work.

Dear leader Comrade Kim Chong-il has indicated: Whether or not we can foster the growing new generations to be reliable heirs to the revolution and to be genuine communist revolutionaries loyal to the party and the leader is related to the basic issue of whether we can accomplish the chuche revolutionary cause pioneered by the leader.

The youth—the growing new generations—are heirs to the revolution. The new generations will determine the life of revolution they inherit and the final victory in the revolutionary cause. Fostering the new generations to be communist revolutionaries endlessly loyal to the party and the leader is a basic issue in accomplishing the chuche revolutionary cause because the chuche cause is an historic cause continuing generation after generation. From the beginning, the revolutionary cause of the working class was a long-range cause which is to continue and to be accomplished generation after generation.

The chuche revolutionary cause is a sacred cause which was pioneered by the respected leader and which is being led by our great party. It is a cause of national liberation, class emancipation, and liberation of mankind to completely achieve the independence of the working popular masses by embodying the immortal chuche idea in the entire society.

The chuche revolutionary cause, which will completely achieve the independence of the working popular masses, is not a cause which can be accomplished by a certain generation but is a historic cause which can be accomplished only through a long struggle carried out generation after generation. Therefore, unless one fosters the successors who inherit the revolution to be revolutionaries, one cannot think about accomplishing the chuche revolutionary cause.

Historic lessons in the international communist movement clearly illustrate that when one fails to properly foster the youth—the growing new generations—one will spoil the revolutionary gains achieved through a long arduous struggle, and one will be unable to inherit and accomplish the revolutionary cause pioneered by the leader.

Since the education of youth has been neglected, the youth have become a source of anxiety in many countries. The youth in our country, however have become proud, able workers who are pushing ahead with revolution and development. Today the ideological and mental condition of youth in our country is excellent. They regard the great chuche idea as their firm outlook on the world, and assume loyalty to the party and the leader as their first life. They assume it to be the greatest honor and happiness to fight by dedicating their life to the party and the leader. They are overflowing with firm determination to accomplish the chuche revolutionary cause by following the leadership of the party and leader.

Fostering the new generations to be communist revolutionaries endlessly loyal to the party and the leader is a basic issue for accomplishing the chuche revolutionary cause because the revolution itself is to be accompanied by a difficult and complex struggle.

From the outset, the revolutionary cause of the working class is to advance forward and achieve victory in the course of overcoming repeated difficulties and trials. There can neither be advance of the revolution without struggle nor can there be any victory of the revolution without struggle.

If the working class and popular masses want to realize national liberation and class emancipation, they must carry out an uncompromising struggle against the colonialists, imperialists, and class enemy, and even if they want to build an economy to serve the popular masses, they must carry out a ceaseless struggle against nature.

The revolution presupposes a constant struggle. To achieve victory in the revolutionary struggle, it is imperative to foster the masters of the revolution, that is, those in charge of the revolution, to be revolutionaries. In other words, it is imperative to foster not only the old generations of the revolution, but also the next generation of the revolution—the successors to the revolution—to become communist revolutionaries who will assume the position and fulfil their roles as masters of the revolution. The chuche revolutionary cause, which was pioneered by the great leader and is led by our party, is a most difficult, complex and gigantic revolutionary cause that is unprecedented in history.

Our people constantly advanced the chuche revolutionary cause through more than 60 years of arduous struggle under the wise leadership of the great leader and our party. In this course, our people registered proud victories and achievements. We have not, however, accomplished the chuche revolutionary cause. For us to accomplish the chuche revolutionary cause, we must still carry out many works and wage arduous struggle. We must achieve the cause of national reunification—the national desire—and must build a paradise of socialism and communism on this land.

Today our people's struggle for national reunification and for socialism and communism is being carried out under difficult conditions in which we are directly confronted by the U.S. imperialists—the ringleader of global imperialism—and counter-socialist and counter-republic maneuvers of the imperialists and reactionaries are being carried out more viciously than ever before. Therefore, unless we foster the growing new generations to be communist revolutionaries capable of overcoming any difficulty and trial, we can neither safeguard the revolutionary gains which we obtained through bloody struggle, nor can we accomplish the chuche revolutionary cause to the end.

In particular, our growing new generations neither experienced exploitation and oppression of landowners and capitalists nor did they go through arduous revolutionary trials. The imperialists, furthermore, are waging ideological and cultural infiltration more viciously in an attempt to demolish socialism from within. Under this

condition, if one neglects and does not strengthen the work to foster the growing new generations to be chuche-type communist revolutionaries, the phenomenon of seeking only personal pleasure and idleness without any struggle in the era of carrying out the revolution may appear among them. As a result, they will be degenerated ideologically, and may forget the lofty missions and duties assigned by the time and history after becoming mentally damaged. All this demonstrates that only when we foster the growing new generations to be communist revolutionaries, can we inherit and accomplish the chuche revolutionary cause generation after generation.

Today our youth—the growing new generations—are faced with a sacred mission to brilliantly accomplish the chuche revolutionary cause to the end by loyally upholding the leadership of our great party. Our party is the banner of victory in the socialist and communist cause and is a great guide.

Victory and glory are laid along the road of following our party. The bright future of our revolution and youth—the growing new generations—is ensured when we advance along this road. All growing new generations and youth should prepare themselves as communist revolutionaries who are endlessly loyal to the party and the leader and who loyally uphold the leadership of our great party. They should brilliantly accomplish the chuche revolutionary cause to the end.

KCNA: U.S. Mobilizes 240 Warplanes in 'War Exercises'

SK2701053393 Pyongyang KCNA in English 0451 GMT 27 Jan 93

[Text] Pyongyang, January 27 (KCNA)—The U.S. imperialist aggressors Tuesday staged long-distance surprise attack exercises with the sky above South Korea as the theatre of operation, according to military sources.

Under the war scenario of the U.S. Pacific Navy Command formations of dozens of "FA-18" pursuit-assault planes flew to the skies above Kunsan of South Korea and its surrounding areas from the Herculean aircraft carrier "Independence" afloat on the Japanese waters and staged frantic air war exercises for a surprise strike at the targets in the coastal area of the northern half of Korea.

On the same day, the U.S. imperialists deployed in the Osan Airforce Base of South Korea formations of "AV-8" VTOL assault planes based in Japan proper and let them fly above Oeyon Island, Chonju and Samchok areas according to a plan and staged a joint strike exercise for many hours in coordination with fighter planes of the U.S. airforce present in South Korea and the puppet airforce.

Mobilised in the exercises were more than 240 war planes of various types.

MINJU CHOSON Criticizes Kim Yong-sam Human Rights Remarks

SK2301052693 Pyongyang KCNA in English 0500 GMT 23 Jan 93

["MINJU CHOSON on Kim Yong-sam's Remarks"—KCNA headline]

[Text] Pyongyang, January 23 (KCNA)—South Korean "President-elect" Kim Yong-sam told NHK reporters recently that he would raise the "human rights problem" in the dialogue with the North in the future. This revealed his intention to aggravate the North-South relations after he took office, notes MINJU CHOSON today.

The analyst says:

The "human rights problem" cannot be raised and noticed in the northern half of the country where there has been built the peculiar and superior Korean-style socialism of single-hearted unity, a socialism in which all the members of society form one big family and share bitters and sweets, helping and leading each other forward.

Kim Yong-sam should mind his own business before speaking ill of others.

The human rights of the South Korean people are ruthlessly violated by the fascist dictators, the dignity and sovereignty of the nation trampled upon by the U.S. imperialist aggressors.

If Kim Yong-sam were interested in the human rights problem, he should have expressed the will to restore the nation's dignity and sovereignty from the outside forces.

But he harped on "human rights," decrying others, himself sitting on the grave of human rights. This is a special political cartoon.

He uttered slanderous words against the North even before his inauguration. This foretells that he will follow the road of anti-communist confrontation when he takes office.

The Korean nation will never pardon the traitors who cling to anti-communist confrontation against the will of the fellow countrymen.

Kim Yong-sam would be well advised to behave himself well, minding this.

Criticizes Miyazawa Remarks

SK2301051993 Pyongyang KCNA in English 0455 GMT 23 Jan 93

["MINJU CHOSON on Sophism of Japanese Prime Minister"—KCNA headline]

[Text] Pyongyang, January 23 (KCNA)—Japanese Prime Minister Miyazawa betrayed the ulterior intention of Japan to fish in troubled waters by contending during his Southeast Asian tour that the presence of the U.S. forces is

indispensable for peace and stability of Asia even after the Cold War, says MINJU CHOSON today.

The news analyst goes on:

It goes without saying that patronizing the U.S. policy of military occupation is to create an obstacle to the cause of peace in Asia.

It cannot be for peace and stability to occupy other countries far away from one's own by military force, brutally suppress the peaceloving people and prepare armed intervention against others.

The Japanese authorities, bragging of their "foresight", flatteringly laud the presence of the U.S. Forces in Asia, contending that the disturber of peace is "an indispensable existence for peace and stability". Japan seeks in this the sinister aim of benefiting by the U.S. strategy toward Korea and Asia.

Worse still, the Japanese authorities are scheming to arm their country with nuclear weapons under the dark clouds of the U.S. imperialists' nuclear strategy.

The Japanese authorities, before pointing the dagger at the hearts of others, should ponder over the lot of the old Japanese imperialists who were severely punished by history while running wild with sabres to become the "leader of Asia".

The Japanese authorities must decisively discard the stand of following the United States and renounce their designs of overseas expansion without delay.

KCNA Reviews 27 Jan Pyongyang Press

SK2701083793 Pyongyang KCNA in English 0515 GMT 27 Jan 93

[Press Review]

[Text] Pyongyang, January 27 (KCNA)—Papers today carry news that the great leader President Kim Il-song's new year address was reported in different countries. Carried in NODONG SINMUN is a new year message to President Kim Il-song and Comrade Kim Chong-il from the chairman, the general secretary and the international secretary of the Venezuelan Movement to Socialism.

The daily comes out with an article about the great example set by President Kim Il-song in going among the people and sharing bitters and sweets with them, believing in their strength in the early period of his revolutionary activities.

"The Historical Lesson in Building Socialism and the General Line of Our Party", a work of the dear leader Comrade Kim Chong-il, was reported by Nigerian and Pakistani papers, and a brief history of his revolutionary activities was carried by an Indian paper, according to the daily.

An article of the daily stresses that the Korean people are a revolutionary people who are confidently advancing to accomplish the socialist cause with their revolutionary faith and principle.

Under the title "Young People Should Take the Lead in Adding Lustre to Our-Style Socialism" the daily reports about an upswing effected by young people in production and construction greeting the 8th Congress of the League of Socialist Working Youth of Korea.

Econews of the press includes reports about continued upswing in the coal production and full preparations for farming.

Papers give an account of a general meeting of the C.C. [Central Committee], the North side's headquarters of Pomminnyon [Pan- National Federation for Reunification] and carry an appeal to domestic and overseas organisations of Pomminnyon and compatriots which was adopted there.

An enlarged meeting of the Executive Committee of the International Liaison Committee for Reunification and Peace in Korea will be convened in Paris, reports the press.

NODONG SINMUN gives an account of a meeting held in Pyongyang to mark the 20th founding anniversary of the provincial art propaganda teams, a powerful art agitation means of the Workers' Party of Korea.

The daily informs the readers that the Congolese President received the DPRK ambassador to his country.

Given in the daily are accounts of a "presidium meeting of Pomchonghaknyon [National Alliance of Youth and Students for the Country's Reunification] for vowing to achieve the independent and peaceful reunification of the country in 1995" held in Berlin and an inaugural meeting of the Solidarity Committee of Arab Regional Political Parties and Fronts for Supporting Hanminjon [South Korean National Democratic Front] and South Korean People's Struggle held in Syria.

The daily condemns the official announcement of the South Korean puppet Defence Ministry on staging the "Team Spirit 93" joint military exercises.

It runs a commentary exposing the colonial dependence of the South Korean economy.

MINJU CHOSON carries an article saying if the next-term "government" of South Korea is to become a really "civilian regime", it must break with the present "Sixth Republic", and a commentary flailing the ceaseless war manoeuvres against North which were held in South Korea.

NODONG SINMUN rounds up voices of foreigners praising the Korean-style socialism.

A commentary of the daily hits out at the sophism of the Japanese prime minister meant to lay artificial difficulties in the way of the normalisation of DPRK-Japan

diplomatic relations by bringing forward the non-existent "nuclear suspicion" against the North.

The daily reports that "yellow cleaning" is being conducted in China, the Tunisian prime minister called for establishing peace in the Middle East and the African National Congress of South Africa exposed terrorist acts against patriotic forces.

In an article headlined "'Marathon Negotiation' Continues Year After Year" the daily deals with the fruitless Uruguay Round of multilateral trade talks based on conflicting interests of capitalist countries.

NODONG SINMUN: Normal Ties Depend on Japan

SK2701060193 Pyongyang KCNA in English 0505 GMT 27 Jan 93

["Boloney To Attain Sinister Aim"—KCNA headline]

[Text] Pyongyang, January 27 (KCNA)—Japanese Prime Minister Miyazawa, in his policy speech at the Diet some time ago, again came out with fictitious "nuclear suspicion" against the DPRK, saying the "suspicion has not been dispelled" and the "future prospect" of the normalization of diplomatic relations is subsequently "opaque."

This tells that he is actually not interested in the normalization of diplomatic relations between the DPRK and Japan but trying to put some insidious pressure on the DPRK, a NODONG SINMUN analyst today says, and goes on:

Talks for the normalization of diplomatic relations have been held between the sides time and again, but without a progress. Japan is entirely to blame for this.

Japan must sincerely apologize and make adequate compensations for the immeasurable misfortunes and disasters imposed upon the Korear people in the past. However she has intentionally created difficulties in the way of the talks by unreasonably and persistently bringing up "nuclear suspicion" as a precondition for the normalization of diplomatic relations, while working hard to justify her past crimes and avoid her responsibility for compensation.

The honesty of our peaceful nuclear policy is recognized by the broad world public.

Nevertheless, the Japanese authorities are still insisting on the "removal of nuclear suspicion" as a precondition for the normalization of diplomatic relations. This cannot be construed otherwise than an act of groundlessly slinging mud at us and, at the same time, an intention to deliberately lay difficulties in the way of the talks for the normalization of diplomatic relations between the two countries in the future, too.

The unreasonable cavil and attempts to put some pressure on us over the "nuclear suspicion" only reveal the arrogance of the Japanese authorities who pose Japan as a "political power."

It depends on the attitude of Japan whether diplomatic relations are normalized between the DPRK and Japan in keeping with the expectations of peoples of the two countries, or not.

Delegations Leave for South Asia, Thailand, Iran

SK2301104493 Pyongyang KCNA in English 1016 GMT 23 Jan 93

[Text] Pyongyang, January 23 (KCNA)—A delegation of the Workers' Party of Korea [WPK] led by Chi Chae-yong, vice-director of a department of the WPK Central Committee, left here today to visit Thailand, Nepal and India and a telecommunications delegation led by Kim Hak-sop, minister of posts and telecommunications, to visit Iran.

Leaving here on the same day was a group of the Pyongyang circus led by Pak Myong-su to participate in the 17th Monte Carlo International Acrobatic Festival scheduled in Monaco.

Kim Il-song Sends Messages to Heads of State

SK2301050593 Pyongyang KCNA in English 0438 GMT 23 Jan 93

[Text] Pyongyang, January 23 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea sent messages of greetings to heads of state of different countries on the occasion of the new year 1993.

He sent messages to Phumiphon Adunyadet, king of Thailand; Borhandoddin Rabbani, president of the Islamic state of Afghanistan; Mohamed Abdelaziz, president of the Saharan Arab Democratic Republic [as received] [Western Sahara] and secretary general of the Polisario Front; Shaykh Jabir al-Ahmad al-Jabir al-Sabah, amir of the State of Kuwait; Zayid Bin-Sultan AL Nuhayyan, president of the United Arab Emirates; Mohammad Husni Mubarak, president of the Arab Republic of Egypt; El Hadj Omar Bongo, president of the Gabonese Republic; Didier Ratsiraka, president of the Democratic Republic of Madagascar; Alpha Oumar Konare, president and head of state of the Republic of Mali; Blaise Compaore, president, head of state and chairman of the Council of Ministers of Burkina Faso; France Albert Rene, president of the Republic of Seychelles; Andre Kolingba, president and head of state of the Central African Republic; Felix Houphouet-Boigny, president of the Republic of Cote d'Ivoire; and John George Melvin Compton, prime minister of Saint Lucia.

President Kim Il-song extended congratulations and greetings to them and their people on the new year and wished them greater success in their work for the prosperity of their countries.

South Korea

Government, Industry Protest U.S. Steel Tariffs

Foreign Ministry: 'Deep Disappointment'

SK2801081993 Seoul YONHAP in English 0807 GMT 28 Jan 93

[Text] Seoul, Jan. 28 (YONHAP)—South Korean Foreign Ministry officials expressed "deep disappointment and concern" Thursday at the U.S. Commerce Department's decision to slap dumping charges on Seoul's steel products.

"As we have repeatedly said, the mass-scale anti-dumping investigations that began in June last year seriously undermine global free steel trade and darken successful conclusion of the ongoing multilateral steel agreement," an official said.

The U.S. Commerce Department announced dumping margins of between 4.72 percent and 30 percent on Korean steel products Wednesday.

"The South Korean Government plans to raise this problem with the general agreement on tariffs and trade at the Geneva conference opening Feb. 9," the official said.

Seoul plans to seek joint measures with other countries charged with dumping through GATT, he said.

Industry 'Choked'

SK2801072993 Seoul YONHAP in English 0631 GMT 28 Jan 93

[By So Hae-sung]

[Text] Seoul, Jan. 28 (YONHAP)—The U.S. Commerce Department, following up on a determination of countervailing duties on South Korean steel products late last year, further choked Korea's steel industry by slapping preliminary anti-dumping charges as high as 30 percent on its exports Wednesday. The new administration punished steelmakers of 19 countries, including Korea, Japan and the European Community, for selling their products in the U.S. market at between 109.22 percent and 0.47 percent less than fair prices.

Korean exports hit by the anti-dumping action are hot-rolled sheet, with a dumping margin of 30 percent, cold-rolled sheet, 12.73 percent, galvanized sheet, 3.28 percent, and plate, 4.72 percent.

With the preliminary ruling, steel exporters accused of dumping have to put up guarantees based on their dumping rates. Should they be found guilty at the final determination, slated for June 2, and the International Trade Commission ruling, due 45 days later, the exporters will have to pay as much as the anti-dumping charges.

Its being preliminary is little comfort to the Korean steel industry, which depends heavily on sheet exports to the United States. Between January and November last year, shipments of cold- and hot-rolled and galvanized sheets, and plate totaled 394 million U.S. dollars, 61 percent of the total exports to the United States of 650 million dollars. December's figures pushed the last two figures up to 62.5 percent and 725 million dollars, respectively.

The anti-dumping blow is expected to make big waves, literally crippling steel traders because sheet exports account for 76 percent of total shipping volume, and with a drop in shipments the traders will have difficulty ordering U.S.-bound carriers.

The biggest loser in the North American Steel war is Pohang and Steel Co. (POSCO), whose sheet shipments last year amounted to more than 100 million tons out of Korea's total sheet exports to America of 1,115,577 tons.

All Korean hot-rolled exports are produced by POSCO, which is also behind 10 percent of the plate exports, 95 percent of the cold- rolled goods, and 65 percent of galvanized sheets. In addition, 90 percent of Korea's hot-rolled exports go to U.S. POSCO (UPI), the california-based joint-venture company of POSCO and U.S. steel.

Born in 1986, UPI is capable of producing 1.22 million tons of cold-rolled sheet a year. It gets 900,000 tons of hot-rolled coil supplies from POSCO and 300,000 tons from U.S. steel.

But UPI, already deep in the red due to the sluggish U.S. steel market, will find it hard to go on with POSCO's expensive products following the antidumping charges.

Noting that they weren't surprised by the U.S. move, POSCO officials say that they suspect Washington, which has been in a protective mode since the March expiration of the Korea-U.S. steel voluntary restraint agreement, will close all doors on steel imports at the end of the day.

"The ruling has been fair and effective," U.S. Commerce Secretary Ronald Brown said in Washington Wednesday, but Koreans have a different view.

"There is a possibility that the U.S. Government charged the high dumping margin rates on Korean products to give itself an advantage in upcoming steel negotiations with other countries," a POSCO official says. Exports are close to impossible with the high dumping margin, which mean uncompetitive export prices, he explains.

Anticipating the worst, POSCO has drastically cut U.S. exports since November and expanded its shipments to China, Southeast Asia and Japan so it will manage balanced trading for the time being, POSCO officials say.

But it faces rough sailing as the Asian market will hardly make up for its U.S. exports of between 1.2 million tons and 1.3 million tons, and as it will be too crowded with the Japanese victims of the anti-dumping charges also jumping in, they say.

Major galvanized sheet exporter Union Steel Manufacturing Co. Says it fears it will totally lose its U.S. export line with the anti-dumping ruling. Saddled with additional charges of between 5 percent and 10 percent on top of the countervailing duties, Union has little choice but to cut its monthly exports of 4,000 tons, which will lead to difficulty procuring ships.

On Nov. 30, the International Trade Commission imposed provisional countervailing duties of 5.51 percent on hot-rolled steel sheet, 4.49 percent on cold-rolled sheet, 3.9 percent on plate, and 2.93 percent on galvanized sheet from Korea for government subsidies.

The U.S. anti-dumping attack has no immediate effect on Dongkuk Steel Mill Co., the main plate seller, because its supplies to U.S. market amount to only 10,000 tons out of the 260,000 tons total of plate exports to the Unied States. But Dongkuk says it plans to keep out of the U.S. market for a while, which is the general idea of most Korean steel traders.

Talks at 9-10 Feb GATT Session Sought

SK2801085893 Seoul YONHAP in English 0812 GMT 28 Jan 93

[Text] Seoul, Jan. 28 (YONHAP)—The Korea Iron and Steel Association (KOSA) has strongly protested against Wednesday's preliminary anti-dumping ruling by the U.S. Commerce Department.

Washington accused Korean exporters of selling cold- and hot-rolled and galvanized sheet and plate at less than fair prices in its market and charged anti-dumping duties as high as 30 percent. The final determination is due June 2.

With provisional countervailing duties of between 5.51 percent and 2.93 percent imposed on Korea's sheet exports Nov. 30 by the International Trade Commission (ITC), exports to the United States have run into a wall, KOSA said.

According to the Trade and Industry Ministry, the heavy duties will cause losses of more than 200 million U.S. dollars in Korea's steel trade with the United States and lop 3 percent off this year's projected steel exports of 6.1 billion dollars. Exports to the U.S. market totaled 725 million dollars last year, accounting for 13.8 percent of total steel exports.

KOSA criticized the protective trading practices of the United States as violating the free order of the steel trade and the universal aim of economic prosperity.

The Commerce Department had failed to see the problems of its steel industry and instead blamed foreign exporters for its recession, KOSA charged.

KOSA and the four Korean dumping suspects—Pohang Iron and Steel Co., Union Steel Manufacturing Co., Dongkuk Steel Mill Co., and Dongbu Steel Co.—are determined to be fully equipped for an on-the-spot inspection by U.S. Commerce officials on Feb. 15-22.

But the odds are against Korea, because the U.S. officials are unlikely to stop at comparing export prices with prices here and will dig into costs, KOSA said.

The government and KOSA will present this issue at the Board of Directors' meeting of the General Agreement on Tariffs and Trade (GATT), scheduled for Feb. 9-10. Korea will also bring up the U.S. anti-dumping charges at the 12th Multilateral Steel Agreement (MSA), KOSA said.

It plans to join forces with 18 other countries, saddled with anti-dumping charges as high as 106.61 percent by the preliminary ruling—Germany, Italy, Japan, Mexico, Netherlands, Poland, Romania, Spain, Sweden, Britain, Argentina, Australia, Austria, Belgium, Brazil, Canada, Finland, and France—to stand up to the United States.

The United States is suspected of slapping the high anti-dumping charges on Korea intentionally as the American ITC imposed the provisional countervailing duties just a month after Seoul strongly protested against it at last October's GATT directors' meeting.

KOSA said it was hard to be optimistic that next month's field investigation by U.S. officials would end favorably for Korea.

Kim Chong-il Relative, South Koreans Reportedly Meet in Beijing

OW2801110393 Tokyo KYODO in English 1035 GMT 28 Jan 93

[Text] Seoul, Jan. 28 KYODO—High-ranking Seoul officials met secretly with the brother-in-law of Pyongyang's presidential heir-apparent Kim Chong-il in Beijing last December, Western diplomatic sources said Thursday [28 January].

Chang Song-taek, a newly promoted member of Pyongyang's ruling hierarchy, was dispatched by Kim to the Chinese capital prior to South Korea's presidential poll to exchange views on a number of issues with the Seoul officials, the sources said.

The South Korean authorities reportedly reassured Chang that Seoul had no intention of absorbing North Korea economically no matter who won the December 18 poll and he proposed that economic exchanges and cooperation be moved forward, the sources said.

The secret meeting in Beijing appears to tread upon the publicly known inter-Korean dialogue, but the South Korean Government reportedly supported the meeting with an influential figure from North Korea before the presidential poll.

The ninth round of inter-Korean prime ministers' talks scheduled for December was canceled over demands that North Korea submit its nuclear facilities to mutual

inspections and South Korea call off joint military exercises with the United States.

In the Beijing talks, however, both sides reportedly reconfirmed a positive stance on economic cooperation and it appears possible that the dialogue will take a favorable turn in April after the Team Spirit military exercises are over.

According to the sources, Kim Chong-il made the decision to dispatch Chang to Beijing without the prior knowledge of his father and President Kim Il-song, suggesting that the younger Kim may be fully in charge of inter-Korean issues.

Chang is one of the younger Kim's most trusted confidants, but has not been a visible figure of the Supreme People's Assembly and was only promoted to the (North) Korean Workers Party Central Committee on December 10, just after returning from the Beijing meeting.

While in Beijing, Chang also reportedly met with Chinese security authorities.

Following the South Korean election, North Korea was not overly critical of President-elect Kim Yong-sam, but only suggested that the "desire of the South Korean people asking for new political reforms had been ignored."

The sources suggested Thursday that Pyongyang had foreseen the election of ruling party candidate Kim Yong-sam because of Chang's visit to Beijing beforehand.

Meanwhile, the YONHAP NEWS AGENCY reported Thursday that a South Korean opposition legislator is alleging that two of Kim Yong-sam's top aides made a secret visit to North Korea before the election.

The allegations, made by Sonn Se Il [name as received] of the Democratic Party, are based upon a radio report aired on December 14, 1992, by American columnist Jack Anderson, who reportedly told Sonn the report was based on U.S. Central Intelligence Agency documents.

Government Denies Contact

SK2801112693 Seoul YONHAP in English 1105 GMT 28 Jan 93

[Text] Seoul, Jan. 28 (YONHAP)—A senior South Korean Government official Thursday afternoon denied as "not true" the KYODO news service report that South and North Korea had secret talks in Beijing last December.

KYODO said in a dispatch from Seoul that a senior South Korean official and Chang Song-tek, husband of Kim Chong-il's sister, met secretly in Beijing early last December to exchange various information.

"We have an unconfirmed report that Chang Song-tek visited Beijing last month, but the press report that our official met him in Beijing is totally groundless," the official said.

Foreign Ministry, State Department Hold Consultative Meeting

SK2801121093 Seoul YONHAP in English 1155 GMT 28 Jan 93

[Text] Seoul, Jan. 28 (YONHAP)—The Foreign Ministry had the first policy consultative meeting with the U.S. State Department under the Clinton administration in Washington on Jan. 26, a Foreign Ministry official said Thursday.

At the meeting, he said, the two countries shared the view that U.S. Forces should continue to remain in South Korea and the two countries' bilateral security relations should be further bolstered for stability and peace on the Korean peninsula.

It was also learned that at the policy meeting the two sides agreed on the need of a foreign ministers meeting prior to a Korea-U.S. summit meeting, and decided to have a foreign ministers conference at the soonest possible date after the birth of a new administration in Seoul.

The U.S. was said to have disclosed a policy at the meeting to carry on pressure against North Korea to resolve the nuclear issue in the belief that the North would not agree on inter-Korean nuclear inspections even if the U.S. showed an appeasement toward Pyongyang.

"After the turn of the year, North Korea had refrained from denouncing the United States until the time the 93 Team Spirit exercise was announced when the North resumed condemning the U.S. vehemently," the official said.

The announcement of the resumption of the Team Spirit exericse expressly evidences the firm U.S. policy toward North Korea regardless of North Korea's softened posture to Washington, he added.

SRV Foreign Minister To Visit Seoul 1-5 Feb

SK2801025493 Seoul YONHAP in English 0233 GMT 28 Jan 93

[Text] Seoul, Jan. 28 (YONHAP)—Vietnamese Foreign Minister Nguyen Manh Cam will visit Seoul on Feb. 1-5 and sign an agreement on economic and technical cooperation, the Foreign Ministry announced Thursday.

Cam makes a return visit for Foreign Minister Yi Sang-ok's trip to Hanoi for restoration of diplomatic relations on Dec. 22. Ties were severed in 1975. The two countries have neared agreement on exchanging the former Vietnamese Embassy building in Seoul for the South Korean Embassy site in Ho Chi Minh City, and the foreign ministers are expected to agree on opening a South Korean Consul-General in Ho Chi Minh City during Cam's stay. They will discuss early conclusion of pacts on an investment guarantee, avoidance of double taxation, aviation and trade.

Foreign Ministry Asks Taiwan Not To Fly Flag Outdoors

SK2801103993 Seoul YONHAP in English 1022 GMT 28 Jan 93

[Text] Seoul, Jan. 28 (YONHAP)—The Foreign Ministry asked the Taiwanese community in Korea again Thursday not to hoist the Taiwanese flag outdoor in South Korea.

Yun Hae-chung, Foreign Ministry's deputy director-general for Asian affairs, called in Taiwanese Foreign Ministry officials to tell them that the flag issue cannot be compromised because the law of the land expressly prohibits the outdoor use of the flag of a country with which Korea has no diplomatic ties.

Yun said the hoisting of the Taiwanese flag cannot be tolerated even under the principle of diplomatic normalization between South Korea and mainland China.

Notwithstanding the government stand against the outdoor use of their flag, Taiwanese school at Myong-tong, Seoul, has been hoisting the nationalist Chinese flag at the school yard.

Pak No-su Becomes First Ambassador to Vietnam

SK2801022393 Seoul YONHAP in English 0204 GMT 28 Jan 93

[Text] Seoul, Jan. 28 (YONHAP)—Pak No-su was named South Korea's first ambassador to Vietnam on Thursday. Diplomatic ties were normalized Dec. 22.

Pak, 58, is a graduate of Seoul National University's Law College. He entered the foreign service in 1957 and served as ambassador to the Central African Republic and consul-general to Houston and Osaka. He headed the liaison office in Hanoi from August last year.

Agency Urges Easing of Energy Market Restrictions

SK2701071493 Seoul YONHAP in English 0553 GMT 27 Jan 93

[Text] Seoul, Jan. 27 (YONHAP)—The International Energy Agency (IEA) has urged South Korea to ease restriction of the energy market and continue its efforts to strengthen its energy security and conservation and to protect the environment.

A report on Korean energy policy revealed Wednesday by visiting IEA Director-general Helga Steeg says that tight state control and lack of financial support for Korea's energy industry hinder promotion of energy security and saving and protection of the environment. It suggests less restriction of the energy market, recommending liberalization of oil prices and more autonomy for the petroleum industry, for continuous economic prosperity.

To enhance understanding about the important role of atomic energy to support Korea's policies on energy, economy and the environment, it stresses the utilization of diverse nuclear-related technologies.

New Ambassadors Present Credentials

SK2701040793 Seoul YONHAP in English 0203 GMT 27 Jan 93

[Text] Seoul, Jan. 27 (YONHAP)—Four new ambassadors to South Korea presented their credentials to President No Tae-u on Wednesday morning.

The four are Luis Ortiz Teran, 63, from Ecuador; Bharat Prasad Dhital, 59, from Nepal; Edwin Tjakabaka Matenge, 54, from Botswana; and Samir al-Khuri, 55, from Lebanon.

Two Draw Prison Terms for 'Leaking Military Secrets'

SK2801082093 Seoul YONHAP in English 0721 GMT 28 Jan 93

[Text] Seoul, Jan. 28 (YONHAP)—The Seoul district criminal court sentenced Song Chong-tae, 35, a former aide to Rep. Yi Chol of the Democratic Party, to 10 months in prison with a two-year reprieve Thursday for leaking military secrets.

Won Sung-muk, 29, a former secretary of Rep. Cho Yun-hyong of the Democratic Party, was sentenced to eight months with a one-year stay on the same charge.

Song and Won were charged in April 1989 with leaking eight classified military documents, including a plan for the transfer of major military commands, that had been submitted to the National Assembly Defense Committee.

DLP Reacts 'Coolly' to Opposition's Call for Talks

SK2701041693 Seoul YONHAP in English 0231 GMT 27 Jan 93

[Text] Seoul, Jan. 27 (YONHAP)—The majority Democratic Liberal Party reacted coolly Wednesday to the opposition Democratic Party's call for talks between their leaders.

"The timing is not opportune. The Democratic Party has internal problems, and President-elect Kim Yong-sam sees it as inappropriate to have the talks prior to the inauguration of his government," Party spokesman Pak Hui-tae said. Pak hinted, however, that Kim was willing to meet Yi after his inauguration on Feb. 25.

"We are, nevertheless, ready to accept any type of dialogue with opposition parties in accordance with our willingness to solve all problems with dialogue and compromise," he said.

Yi, in a new year press conference earlier in the day, called on Kim to meet him to discuss management of state affairs even before his inauguration.

Opposition Leader Seeks Kim Yong-sam Meeting

SK2701041593 Seoul YONHAP in English 0218 GMT 27 Jan 93

[Text] Seoul, Jan. 27 (YONHAP)—Yi Ki-taek, the Democratic Party's executive chairman, has asked President-elect Kim Yong-sam to meet with him before the inauguration to discuss ways to ensure smooth management of state affairs and create a new relationship between the ruling and opposition camps.

"There should be a dialogue between responsible political parties even before the inauguration of the new administration for future management of state affairs and establishment of new ruling- opposition relations," Yi told a news conference Wednesday.

It was his first since he became sole leader of the party after Kim Tae-chung's retirement from active politics following his defeat in the Dec. 18 presidential elections. Yi urged Kim Yong-sam to meet with him to discuss management of state affairs, including local elections and revising the election system.

Calling on Kim to take a firmer stand on reform and make public a detailed plan for reforms, the opposition leader said that the Democratic Party would mount an all-out effort to criticize and oppose the administration if it "avoids reforms and tries to return to the past."

Yi demanded a thorough reinvestigation of the so-called seven suspicious incidents involving the outgoing government, including the Suso district housing scandal, Seoul-Pusan high-speed railway project, second mobile phone project and Yongjong-do airport construction project.

"The new government should not try to cover up irregularities and corruption committed under... (the current government) so as not to invite an unpleasant thing in which the National Assembly's authority to inspect state affairs is invoked and parliamentary hearings are held," Yi said.

Reportage on Kim Yong-sam Transition Planning

Favors 'Growth-First Economic Policy'

SK2801083593 Seoul YONHAP in English 0730 GMT 28 Jan 93

[Text] Seoul, Jan. 28 (YONHAP)—President-elect Kim Yong-sam will abandon stability in favor of a growth-first economic policy at the start of his tenure, an aide said Thursday. Kim had decided to pursue growth in the judgment that Korea faced its worst-ever recession, he said, speaking on condition of anonymity.

The next government would work out comprehensive measures to pump up the economy as soon as it was formed, he said. Kim will be sworn in as president on Feb. 25. The measures that Kim is considering are elastic supply of money, practical budgets and wage stability to strengthen the competitiveness of businesses, the aide said.

In a related move, the majority Democratic Liberal Party, noting that economic growth slumped to 2.5 percent in the fourth quarter of 1992, reported to Kim it would prepare a variety of measures to revive the economy and reforms to implement Kim's 10 economic campaign pledges. Kim ordered party members attending a meeting at which the report was made to exert all-out efforts to prepare for writing a practical, efficient budget for his government.

As wage stabilization is crucial to any attempt to facilitate price stability and recovery of economic vitality over the next two or three years, it was his most pressing task, he said. Kim said he will raise the tax burden from 19 percent to 22 percent by 1998 so that he can boost investment in science, technology and social overhead capital while flexibly managing the money supply for cash-starved businesses and making the state budget more practical.

With regard to controversy surrounding use of real names in financial dealings and financial reforms, which have yet to be made, the party recommended to Kim that he form a task force and scrutinize plans before putting them into action.

While implementing the financial liberalization, he should stipulate special acts on reducing red tape for businesses and try to relax administrative restrictions, it said. The party will ask Kim to name a presidential secretary in charge of reducing red tape and regulations for businesses. In particular, it will regularize and increase the operation and power of the National Assembly budget committee to strengthen its power in shaping the budget.

The party reported to Kim that it would draw up a long-term plan to facilitate functional and characteristic development of provincial cities and that it would work out practical measures to deconcentrate the population from Seoul and its environs.

To Bolster Audit, Inspection Board

SK2801085593 Seoul YONHAP in English 0751 GMT 28 Jan 93

[Text] Seoul, Jan. 28 (YONHAP)—In his avowed effort to wipe out corruption among government officials, President-elect Kim Yong-sam plans to strengthen the function of the Board of Audit and Inspection. Kim said he will name the head of the Board of Audit and Inspection, together with the prime minister, shortly before his inauguration on Feb. 25 and seek the approval of the National Assembly.

Kim disclosed his plans Thursday after he received a report from the Democratic Liberal Party [DLP] policy committee on ways to carry out his campaign pledges.

The Board of Audit and Inspection under the Kim administration will stress auditing of job performance rather than its traditional role of accounting watchdog, DLP spokesman Pak Hui-tae said.

"A corruption-free government is essential in order to carry out a new economic policy for the reconstruction of Korea," Kim told the party policy committee.

The Board of Audit and Inspection has been conducting annual audits of government accounting. From now, it should concentrate more on irregularities and corrupt practices by officials, Kim said. The board's role is so important, Kim said, he has decided to seek National Assembly approval for the appointment of its head.

The DLP and Kim's transition team agreed on the need for cleaning up the political circle if the nation is to realize a fair and strong government. To that end, the team and the ruling party hope to form a special committee on political reforms in the National Assembly for about one year to revise election laws and the laws governing fundraising and political parties, party sources said.

Over on the opposition side, the United People's Party plans to convene a meeting between its leader Chong Chu-yong and Yi Ki-taek, leader of the Democratic Party, to coordinate their stand. Chong is staying at a hot spring in Beppu, Japan, but is scheduled to return home Feb. 3, party officials said.

The Democratic Party, meanwhile, held a conference of its representatives Thursday and discussed their plans for an extraordinary session of the assembly to be convened Feb. 9. The party decided to propose that the assembly hold the session for 30 days, during which party leaders will make policy speeches, conduct government interpellation and hold standing committee meetings.

The Democratic Party will take up issues related to rising prices, measures on the Uruguay Round of global trade negotiations, local elections, Kim Yong-sam's remark on Kim Tae-chung's ideology and election law violations.

Elsewhere, President No Tae-u received a report on national policies from Prime Minister Hyon Sung-chong on Thursday and he instructed officials to carry out government business without any mishap until the last day of his administration.

Team Urges Streamlining of Chongwadae

SK2801064693 Seoul YONHAP in English 0521 GMT 28 Jan 93

[Text] Seoul, Jan. 28 (YONHAP)—President-elect Kim Yong-sam's transition team has recommended that the government reduce the number of national holidays to encourage hard work and revitalize the economy. Team officials said Thursday they were studying the possibility of cutting one day from the two-day new year's holiday and abolishing Arbor Day as the significance of the greening effort had declined. Although Korea is known around the world as a nation of hard-working people, it tops most advanced countries with 17 public holidays, according to the officials.

In other areas, the transition team is studying simplification of the procedure for obtaining bank loans to lessen the burden on business enterprises and creation of a social welfare planning committee under the president, the officials said.

With regard to reorganization of the presidential office at Chongwadae [presidential offices], it was planned to abolish the post of senior presidential secretary for inspection and justice and transfer his responsibilities to the Board of Audit and Inspection, the officials said.

The transition team was also contemplating transfering the job of the presidential secretary for judicial affairs either to the office of the senior presidential secretary for civil petitions and information or to that of political affairs, they said.

Team officials share the opinion that the Kim administration should abolish the personnel management function of the presidential secretary for inspection and justice.

The Kim administration plans to launch a national campaign, led by private organizations, for protection of the environment shortly after its inauguration. And to save government expenditures, it will postpone projects such as the construction of a new government building, they said.

Moreover, to root out official corruption, the transition team has recommended pay increases for government employees to the level of government-financed organizations. It has also suggested that the government provide apartments for those who have worked for the government for more than 10 years.

Brunei, Malaysia & Singapore

Malaysia

King Hosts State Banquet for Philippine's Ramos

BK2701143693 Kuala Lumpur Radio Malaysia Network in English 1300 GMT 27 Jan 93

[Text] ASEAN should give serious attention to the peace process in Cambodia to ensure continued peace and stability in this region. His Majesty the Yang Di-pertuan Agong [paramount ruler] Sultan Azlan Shah stressed that ASEAN should support the peace efforts of the United Nations to ensure lasting peace in that country. He was speaking at a state banquet for visiting Philippine President Fidel Ramos at Istana Negara [State Palace]. His majesty said even though calm has returned to the region following the easing of tension in Indochina, the encouraging economic transformation of Laos and Cambodia, and with the closure of foreign bases, several challenges will still have to be faced by the countries of the region. The main challenge is ensuring that the peace and stability in the region prevail through cooperation and consultation without outside interference.

ASEAN should not only firmly enforce the agreement to set up the ASEAN Free Trade Area, AFTA, but should also step up cooperation with the countries of Indochina and Myanmar [Burma]. The Yang Di-pertuan Agong expressed the hope that relations between Malaysia and the Philippines would be further enhanced based on the principles of mutual respect, sovereignty, and territorial integrity. He praised Mr. Ramos for his efforts to make the Philippines a prosperous and stable nation. This will have a favorable effect on its neighbors and contribute toward ASEAN's overall strength.

Prime Minister Datuk Sri Dr. Mahathir Mohamed called on the visiting Philippine president at Carcosa Sri Negara [State Guesthouse] this evening. The prime minister spent about 30 minutes with the Philippine leader. Mr. Ramos arrived in Kuala Lumpur this afternoon for a four-day state visit to Malaysia at the invitation of the Yang Di-pertuan Agong Sultan Azlan Shah.

Sudanese Minister Views Somalia Issue, Stability

BK2801045193 Kuala Lumpur BERNAMA in English 0340 GMT 28 Jan 93

[Text] Kuala Lumpur, Jan 28 (OANA-BERNAMA)—Any future international conference to seek peace in Somalia should include the countries in the Horn of Africa, Sudan Foreign Minister 'Ali Ahmed Sahlul said here Wednesday.

There had been previous attempts to leave out [word indistinct] of these countries in such talks even when they were ready to cooperate with the United Nations, he added.

"This kind of manoeuvre and attitude are not helpful in making it possible for the United Nations and countries of the Horn to cooperate whch is vital to the settlement of the problem," he told reporters at the end of a three-day working visit here.

Sahlul said none of the countries in the Horn "have any ambition on Somalia." Sudan is separated from Somalia only by Ethiopia.

He added: "All we want is to have peace and stability in Somalia because if there is no peace and stability, it will reflect on us.

"Perhaps, this is what some countries have in mind... that the instability in Somalia will reflect on the other countries in the region."

Sahlul said he hoped his visit here would pave the way for economic joint ventures after both countries established significant cooperation in trade.

The value of trade between the two countries notched more than U.S.$40 million in 1991, he added, but said it was a significant figure considering it was the first year trade links were established.

Sahlul said Sudan could become a gateway for Malaysian goods into Africa as it belonged to the 193-member Preferential Trade Area in Africa.

Sudan shared common views with Malaysia on many international issues, including on the role of the United Nations in the so-called "New world order," he said.

"The United Nations increasingly seems to be manipulated by the big powers to serve their own end, he added.

He said it was important that the Nonaligned Movement (NAM) make its presence felt and its voice heard by not allowing the United Nations to be used to the advantage of the big powers.

On South-South cooperation, Sahlul said developing countries should strive to complement each other in order for their economies to be less dependent on the markets of the industrialised countries.

Cambodia

Sihanouk Opens SNC Meeting in Beijing

HK2801034393 Hong Kong AFP in English 0312 GMT 28 Jan 93

[Text] Beijing, Jan 28 (AFP)—Cambodia's Supreme National Council (SNC) opened a meeting here Thursday under the chairmanship of Prince Norodom Sihanouk aimed at reaching a compromise over plans to hold legislative elections in May. The four Cambodian factions grouped in the SNC all sent representatives to the meeting. Nominal Khmer Rouge chief Khieu Samphan is representing the radical faction, which opposes

holding legislative elections under U.N. supervision as envisaged in Cambodia's 1991 peace accords.

Sihanouk opened the meeting by expressing his "deep gratitude" to U.N. Secretary-General Butrus-Butrus Ghali, represented here by Marrack Goulding. Head of the U.N. Transitional Authority in Cambodia (UNTAC) Yasushi Akashi then read a report on the latest developments in Cambodia.

The ambassadors to Phnom Penh of the five permanent members of the U.N. Security Council—the United States, Britain, France, Russia and China—are also attending the meeting, along with a representative from Indonesia, which was the co-chair with France of the Paris peace talks that led to the October 1991 accord. Germany, Australia, Japan and Thailand, which have engaged in supporting the peace process, have also sent representatives.

Mass Murder Charge Sought for KR Guerrilla

BK2801051393 Hong Kong AFP in English 0456 GMT 28 Jan 93

[Text] Phnom Penh, Jan 28 (AFP)—U.N. peacekeepers brought a Khmer Rouge [KR] guerrilla before a court here Thursday seeking multiple murder charges against him for the brutal massacre of ethnic Vietnamese civilians last month.

The guerrilla, Than Theuan, 25, deserted from the Khmer Rouge ranks and confessed to his role in the massacre of 15 people including three children in a Vietnamese fishing village in Kompong Chhnang Province on December 27, according to court documents seen by AFP.

U.N. officials said at the time that about 20 Khmer Rouge guerrillas slid up to the village of Phum Taches by boat, and fired B-40 rocket-propelled grenades at houses, chasing people to the river bank where the Khmer Rouge then opened fire on mothers pleading for mercy for their children. Immediately after the crime, the Khmer Rouge had issued a statement denying their involvement in the massacre. A Phnom Penh Municipal Court judge was considering a request by the U.N. special prosecutor to hold the suspect for 30 days while the mass murder indictment was prepared.

A copy of the special prosecutor's application to the court called the crime "a brutal massacre of innocent people."

Than Theuan had turned himself over to Phnom Penh government armed forces on January 13, saying he no longer wanted to fight with the Khmer Rouge, the document said. When U.N. military observers went to interview him according to normal procedure, "he spontaneously confessed to his involvement in the massacre," the document said. On January 25, U.N. civilian police took him to the scene of the crime and "by means of an audio-video recording device he enacted his involvement," it said. The guerrilla then signed a confession acknoweldging his involvement.

Assembly Endorses Bills, Minister's Nomination

BK2801052393 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 28 Jan 93

[Text] On the morning of 28 January, the 24th ordinary session of the first National Assembly of the State of Cambodia [SOC] was active in discussing and adopting various bills for nationwide implementation.

On the fourth day of this session, Assembly members listened to bills on the establishment and the activities of SOC tribunals; court expenses; retirement pension and pension for loss of ability of the people's police; circulation of banknotes and repression of banknote faking; property allocation; and the bill to amend article 48/6, articles 79, 80, and 81, and the cancellation of article 82 of the SOC Constitution.

After the debate on these bills by legal experts, the Assembly unanimously adopted the bills submitted to this session for decision. The Assembly also unanimously adopted the candidacy of Suy Sem for the post of minister of labor and welfare. The session adjourned at 1100 and will resume this afternoon.

National Assembly Session Adjourns 28 Jan

BK2801120893 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1100 GMT 28 Jan 93

[Text] Under the chairmanship of His Excellency [H.E.] Chea Sim, chairman of the SOC's National Assembly, on the afternoon of 28 January the 24th ordinary session of the First National Assembly of the State of Cambodia [SOC] continued its work according to the agenda. At this afternoon's session, the assembly attentively listened to explanations given by the ministers of agriculture, finance, and communications on the questions raised by deputies from various constituencies. The assembly also elected Mr. Suy Sem, first deputy minister of the Labor and Welfare Ministry, as minister of the ministry, as proposed by the Council of Ministers. The legislative session, which adjourned at 1630, will resume tomorrow.

Indonesia

Official Confirms Xanana Trial To Begin 1 Feb

BK2801103293 Jakarta ANTARA in English 0949 GMT 28 Jan 93

[Text] Dili, E. Timor, Jan 28 (ANTARA)—After several days of uncertainty, an official confirmed here Thursday that the trial of Jose Alexandre "Xanana" Gusmao, leader of the East Timor FRETILIN [Revolutionary

Front for an Independent East Timor] security disturbing movement (GPK), will start on February 1.

"The Chairman of Dili District Court Hieronymus Godang will head a panel of judges to try the former FRETILIN leader on February 1," said spokesman of the Dili District Court, Hizbullah. The date confirmation is in line with an official letter issued by the Dili court chairman who is currently attending an upgrading course in Malang, East Java, last January 25.

Hizbullah pointed out that soon after the Dili posecutor's office presented the Xanana's dossier last January 25, the Dili District Court contacted Hieronymus in Malang.

Hieronymus then made a letter about the panel of judges and the date for the trial of Xanana. The panel of judges include Pandapotan Sinaga and A.B. Rajah.

He refused to disclose what criminal charges would be given to Xanana. "We're waiting for our chairman Hieronymus," he said, adding that the judges are now studying Xanana's dossier.

Hizbullah expressed the hope that the trial of Xanana would proceed smoothly. The Dili court, he said, had discussed securily matters for the trial with the local police chief. East Timor, formerly a colony of Portugal for over 400 years, integrated with Indonesia in 1976. Xanana was captured on Nov 20 in Dili after leading FRETILIN for almost 14 years.

Australia Will Continue 'To Prod' on Human Rights

BK2701093193 Jakarta THE JAKARTA POST in English 22 Jan 93 p 1

[Text] Jakarta (JP)—Australia will continue to prod Indonesia on human rights questions, including in East Timor, but will do so in a neighborly fashion, Ambassador Philip Flood says.

Flood, whose four-year term in Indonesia will end soon, said yesterday Australia would not tell Indonesia the kind of democracy it should strive for.

However, "we do not shrink from our commitment to what we regard as universal values for governments and societies in the area of human rights," he said in an address to the Indonesia Australia Business Council.

The governments of Australia and Indonesia have established strong communication on various political issues, including human rights, Flood said.

The ambassador urged Indonesia to open up East Timor to visits by parliamentarians, the public and the media, something which he said would help Jakarta gain recognition for the integration of the former Portuguese colony and for the development efforts there.

"We have made it clear that we are happy to assist in the development process and Indonesia has welcomed this," he added.

Australia is one of the few countries to have recognized the 1976 integration of East Timor with Indonesia.

Flood began his post in Indonesia just as relations between the two countries were beginning to improve. Ties soured in the early part of the 1980s with Indonesia accusing its southern neighbor of interfering in its domestic affairs on several occasions. The chief target of the Indonesian backlash was the Australian media.

The ambassador, in his speech, listed the progress made in bilateral relations during the last four years, including the establishment of more regular contacts between government officials, stronger trade and investment, the growing size of Australian aid for Indonesia and the better understanding between the military forces of the two countries.

He said Australia and Indonesia tackled the sensitive question of border delineation in the Timor Sea "with both common sense and imagination."

Jakarta and Canberra resolved the question with the signing of the Timor Gap Treaty, which allows for the joint exploration of the area believed to be rich in mineral resources, in December 1989.

Flood said he hoped the Timor Gap spirit would prevail when the two countries negotiated other common boundaries.

"Taken as a whole, these economic, political, and defense advances are spectacular—they have been based firmly on spending more time getting to know each other," he said.

One of the hallmarks of Flood's ambassadorship was the visit of Prime Minister Paul Keating to Indonesia for talks with President Suharto in April.

Flood predicted that Indonesia would face a time of major political transition and unprecedented cultural pressures from outside the country. He said however that he was confident that Indonesia would adapt in its own way as it has in the past.

"At the same time, Indonesia's social and political structures will be nourished rather than threatened by exchanges with countries like Australia," he said.

Being an ambassador to Indonesia has also converted Flood to becoming a strong supporter of the Association of Southeast Asian Nations (ASEAN) as was apparent in his speech.

"Personally, I would like to see Australia have a more direct and deeper organic link with the region by becoming a signatory to the Treaty of Amity and Cooperation linking Southeast Asian nations," he said.

"This step would not mean seeking membership of ASEAN, but it would be a way of building on existing links with the region and demonstrating our shared commitment to the objectives of the Treaty."

Official: Dissident Group Members Blacklisted

BK2701103493 Jakarta ANTARA in English 0952 GMT 27 Jan 93

[Text] Jakarta, Jan 27 (OANA/ANTARA)—Members of the so-called Petisi 50 [Petition 50] dissident group are still blacklisted and are not allowed to go abroad except for a hajj pilgrimmage, a medical treatment or other humanitarian reasons.

There are only hundred Indonesians who are banned to go abroad, Director General of Immigration Office Roni Sikap Sinuraya said here on Tuesday adding that under the recent immigration law the number of the blacklisted people has dropped.

Among them are the Petisi 50 members who have been banned to go outside Indonesian region for security reasons, and those who are involved in criminal or corruption cases, meanwhile only 4,000 foreigners are banned to enter Indonesian region at present.

Sinuraya acknowledged that among the blacklisted are Indonesians who have already replaced their original nationality with other nationalities or who have become stateless. Most of these people are ex-students who received scholarships to study abroad from the defunct Indonesian Communist Party (PKI) and are still living in East European countries. Some of them became the Czechoslovakian 'Rude Kravo' spy, he revealed.

According to Sinuraya, immigration office has already informed other institutions in charge with the issue, such as the attorney general, the armed forces commander, the minister of finance to evaluate and re-register their blacklisted people.

He expected that by the end of February 1993, the evaluation process could be completed and the government could immediately release the latest list including the reasons for blacklisting them.

Suharto Urges Businesses To Use Energy Wisely

BK2701112493 Jakarta ANTARA in English 1026 GMT 27 Jan 93

[Text] Jakarta, Jan 27 (OANA/ANTARA)—President Suharto has called on businesses to consume energy efficiently without reducing their productivity in an effort to cut the high energy consumption rate. The efficient use of energy should become a national move and practised by the people, the president said when inaugurating the Muara Karang steam and gas combined cycle power plant (PLTGU), the Surabaya PLTGU and a gas field project in Madura on Wednesday.

These power plants, located in Jakarta and East Java, are under the management of the state-owned oil firm Pertamina in cooperation with the US oil company Kodeco.

President Suharto said that the efficient consumption should be carried out on unrenewable energy sources which have to be utilised as long as possible.

In the meantime, renewable energies should also be preserved, the head of state said at a ceremony held within the complex of Muara Karang PLTGU here.

He said that the growth of the industrial sector is so high so that the electricity sector was unable to meet the need of industries for electricity supply. This is why we are facing shortage in electricity supply. Besides the high demand for electricity, the state-owned electricity company PLN is also operating in full capacity so that electricity reserves are almost used up, he added.

To overcome this shortage, the government decided to build power plants such as the PLTGU and to expand the capacity of the Gresik steam power plant from 900 megawatts to 1500 megawatts.

Even though the government has speeded up the development of power plants and increased their supply capacity, the demand still could not be balanced with supply. To meet the increasing demand, the private sector is given the opportunity to run power supply plants, according to the president.

The step to allow the private sector to participate in the development of power plants is very fundamental in meeting middle and long term demand, the president said. He said the government also decided to develop gas fields in Natuna in an effort to diversify energy sources as most of the gas natural reserves are found there.

President director of PLN Zuhal reported earlier that the first construction phase of the Muara Karang plant include three turbines with a respective capacity of 190 megawatts. He reported that the Gresik expansion plant had nine turbines with a respective capacity of 110 megawatts. PLN will develop three more turbines with a capacity of 180 megawatts respectively, he added.

Laos

National Organizational Work Meeting Closes

BK2601104993 Vientiane Vitthayou Hengsat Radio Network in Lao 0500 GMT 24 Jan 93

[Text] On 23 January in Vientiane, a meeting to review past experiences in implementing the resolution of the seventh nationwide conference on organization work and to set guidelines for the improvement of parties and cadres in 1993 was officially closed. Some 110 representatives of various services at the Center, Vientiane Municipality, and all the provinces participated in the three-day meeting.

At the closing session, Thongsing Thammavong, member of the Party Central Committee Political Bureau and chairman of the Organization Board of the Party Central Committee, presented a report summarizing the results of the meeting. The report included a review of performances of activities of organizations in building up party and training cadres in 1992 and an assessment of achievements in each field.

In the field of consolidation of organizational apparatuses, at present a number of government apparatuses at the central level still focus on accelerating consolidation. In this regard, a number of ministries have made basic achievements. Each organization in various localities has reviewed its experiences; made adjustments in its role and duties and organizational structure; and set clearer detailed work plans. In the process, the scope of responsibility has been made clearer for vertical lines of administration in each ministry and organization. Each organization has improved its work apparatus and coordination with related ministries and services. Organizations in some localities have begun implementing work management and vertical lines of command.

Apart from this, over the past year a number of provinces have revised administration of some districts by means of dividing, transferring, or establishing new districts. These include the provinces of Savannakhet, Khammouane, Xiang Khouang, Bokeo, Oudomsai, and the Sianghon-Hongsa Special Zone. At present, the country consists of 17 provinces and one special zone, making a total of 130 districts and 11,767 villages.

However, in the past consolidation of organizational apparatuses there were still some weak points. For example, regarding cadres' needs and aspirations, the consolidation of apparatuses is still slow and delayed. The system for consolidating organizational apparatuses from the center to localities has not yet been sufficiently efficient. However, the coordination between the vertical and horizontal lines of administration has proceeded fairly. In some areas where new districts were established, the role and duties of the districts have not yet been clearly stated.

Furthermore, the report also gave guidelines on the building of the party and training of cadres and work plan for 1993. Each province is required to set up at least three to five secure living quarters as sites for work experimentation and training of cadres. Each province is also required to coordinate with schools for administration and management of state employees and on principles of the state and party to organize four training courses for cadres in the center and locality, with each course lasting 45 days.

New District Set Up in Sekong

BK2601104793 Vientiane Vitthayou Hengsat Radio Network in Lao 0500 GMT 23 Jan 93

[Decree issued and signed by Prime Minister Khamtai Siphandon on establishment of Thateng District, Sekong Province—dated 8 January]

[Text] Based on: 1) the Constitution of the Lao People's Democratic Republic [LPDR]; 2) proposal No. 404 dated 21 November 1992 of the governor of Sekong Province; 3) the specific geographical points, economic potentials, and difficulties in guiding and governing the area in the recent past; and 4) the research and recommendation of the Population Administration and Management Department, the prime minister issues the following decree:

Article 1: It is agreed that Thateng District will be established by separating an area from Lamam District. The new district covers a total of 250,000 hectares and comprises 58 villages with a total population of 12,746.

Article 2: The governor of Sekong Province is authorized to appropriately arrange for the establishment of the district in accordance with the practical conditions and special points of the district.

Article 3: The Office of the Prime Minister, all ministries, equivalent organizations, provinces, and city municipalities are requested to recognize and comply with this decree.

Article 4: This decree comes into effect from the day it is signed.

[Signed] Khamtai Siphandon, prime minister of the LPDR

[Dated] 8 January

Philippines

Manila Airport on Alert for Pro-Iraq Terrorists

HK2801073593 Hong Kong AFP in English 0714 GMT 28 Jan 93

[Text] Manila, Jan 28 (AFP)—The Philippine police were on the lookout Thursday for pro-Iraq foreign terrorists who may enter the country through Manila airport and launch attacks against U.S. and allied interests, an official said.

Chief Inspector Teodoro Gutierrez told reporters airport security police have been given photographs from Interpol of suspected terrorists, which they were ordered to memorize within 24 hours. The list included "known members of the Japanese Red Army and Arab fanatics," he added.

Manila expelled a senior Iraqi diplomat in 1991 in the wake of the Gulf war after another Iraqi man was blown up by explosives which he allegedly planned to plant at a library run by the U.S. Embassy here.

Manila airport general manager Guillermo Cunanan stepped up security measures earlier this month in the wake of the renewed bombing by U.S., British and French jets of military targets in Iraq.

The security measures were particularly aimed at protecting U.S. carriers and passengers, along with those of Air France and British Airways.

Official sources here said flag carriers of Middle East countries whose governments sided with the United States, such as Kuwaiti Airways and Saudia Airlines, had placed 24 hour guards aboard their aircraft.

'Coordinating Body' To Be Ramos' Caretaker

HK2701151493 Manila Radio Veritas in Tagalog 1200 GMT 27 Jan 93

[Text] President Fidel V. Ramos has formed a coordinating body in Malacanang to directly communicate with him to report the nation's happenings as well as to receive and implement instructions while he is away from the country. Three of six officials commissioned by the president are presidential legal counsel Antonio Carpio, presidential management staff head Leonora de Jesus and presidential spokesperson Annabel Tecson Abaya.

Ramos formed the coordinating body instead of assigning a caretaker. Like what he has usually done, Ramos will manage the country by 'remote control' while he is in Malaysia.

Advisory Body Urges Ramos To Retain Sabah Claim

HK2801023993 Manila THE MANILA CHRONICLE in English 28 Jan 93 pp 1, 8

[Report by Cathy Canares]

[Text] The newly created Joint Bipartisan Executive-Legislative Advisory Council on Sabah has strongly advised President Ramos against dropping the claim, Blas Ople, chairman of the Senate foreign relations committee, said yesterday.

Although the President had given assurances earlier that the Sabah issue would not be included on the agenda of his Malaysian state visit, senators said it would be best to serve notice to the Malaysians that the Philippines would not drop the claim just to improve relations between the two countries.

Sen. Francisco Tatad, a member of the advisory council, said the body advised the President at a meeting last Jan. 19 "not to make moves that will jeopardize the claim."

He said the council, which was organized just recently, did not have enough time to study and discuss the complexities of the dispute with Malaysia over Sabah.

One development that complicates the Philippine claim was the move of Kiram Jarnalul III, the Sultan of Sulu, withdrawing the authority from the government to negotiate on behalf of the estimated 1,000 claimants.

One member of the advisory council who requested anonymity warned that if the Sultan's descendants manage to negotiate a settlement with Malaysian officials, all previous efforts of the government would have been useless.

"If the heirs agree on a lump sum that they will receive to compensate for (the loss of) Sabah, the issue of sovereignty being waged by the government will be lost," the senator said.

Jamlul earlier told newsmen that the heirs would ask the assistance of either the Moro National Liberation Front or the Organization Islamic Countries to seek an audience with Malaysian authorities.

But it is highly unlikely for Malaysian officials to hold any talks with the Sultan's heirs on the issue.

Ople maintained that the Senate foreign relations committee would strongly oppose a decision to drop the Sabah claim if Mr. Ramos would make such an announcement.

He added, however, that it would be in the national interest to develop stronger economic, trade and investment ties with Malaysia, which he said has "one of Asia's strongest and vibrant economies."

"We see Malaysian leaders reaching out to the Philippines for the first time since 1963, and we should welcome his change of attitude," Ople said.

Sen. Santanina Rasul, although not part of the advisory council, expressed concern over the possibility that Mr. Ramos might be "coerced" to resolve the issue during his four-day visit.

"Any negotiation on Sabah should be done in neutral territory so the President will not be pressured," Rasul said. "If ever there will be any move to resolve the issue during the visit, then the President should consider first the protection of the heirs—the national interest should receive paramount consideration."

Officers Urge Cease-Fire Before Peace Talks

HK2701151593 Manila Radio Veritas in Tagalog 1200 GMT 27 Jan 93

[Text] Armed Forces of the Philippines [AFP] senior officers have urged that a cease-fire be imposed before peace talks between the National Unification Commission [NUC] and the National Democratic Front begin. Brigadier General Fado Galvez said it is better for a cease-fire to be held to ensure the success of the talks. AFP senior officers have particularly emphasized the proposal to NUC Chairperson Haydee Yorac.

Senator Urges Renewed Talks With Muslim Rebels

HK2801033793 Manila MANILA STANDARD in English 28 Jan 93 p 6

[Text] Senator Santanina Rasul (Lakas [Strength]-NUCD [National Union of Christian Democrats]) yesterday urged the Ramos administration and the National Unification Council [NUC] to renew the stalled peace talks with the Moro National Liberation Front [MNLF] immediately "to decisively end the secessionist war in the South and open a new era of peace and prosperity."

Rasul, the only Muslim representative to the Senate, also appealed to NUC chairperson Haydee Yorac to have an open mind about holding the peace negotiations outside of the country "in the interest of finding a lasting solution to the conflict in the South."

She asked Yorac to study very thoroughly the offer of Indonesia to host the peace talks in Jakarta between the Muslim rebels and the Philippine Government.

The holding of talks outside the country, Rasul said, "does not detract from official government policy to seek peace with all rebels and to explore all avenues to prevent a new flareup of hostilities in the Muslim south."

She said the peace talks with the MNLF headed by Nur Misuari "must go hand in hand, as a matter of policy, with talks initiated by the government to bring home all rebels of all stripes."

Rasul deplored verified reports reaching her office that Muslim representative to the NUC, Ustadz Abdul Gani Yuspo, has not been consulted by the council on the peace efforts with the Muslim separatists.

"This does not represent a positive step in our search for peace," she stressed, adding she was bothered by this development.

Senior Officers Favor Amnesty, Selective Reentry

HK2801043693 Manila THE MANILA CHRONICLE in English 28 Jan 93 p 8

[Text] Senior officers of the Armed Forces yesterday expressed support for the grant of amnesty to all rebels and the "selective reentry" of rebel soldiers into the military service.

But they ruled out their automatic reinstatement should they decide to return to the fold of the law, saying they must face the consequences of their mutinous actions.

These were among the sentiments expressed in a two-page position paper presented to the National Unification Commission [NUC] during its consultation with AFP [Armed Forces of the Philippines] field-grade (major to colonel) and flag officers (generals). The NUC was represented by its chairperson, Haydee Yorac and Sen. Rodolfo Biazon.

One of the officers said "reinstatement of military rebels into the AFP is acceptable but it should be done on a case-by-case basis. It shouldn't be automatic—that's what we mean by 'selective reentry'."

The paper stated that "justice within the (military) system" should be paramount if the AFP is win "society's respect," stressing that "those doing good must be rewarded, those who do otherwise must face the consequences."

But several officers had in the past cited the need for the reinstatement of enlisted men and younger junior officers, saying that senior rebel officers and some of the junior officers can easily find jobs in the private sector.

"In the case of the enlisted men, who have not even finished college, however, feeding their families may depend on their reinstatement," said an officer who requested anonymity.

Edgardo Abenina, who leads the negotiation panel of the Rebolusyonaryong Alyansang Makabansa [Nationalist Revolutionary Alliance]-Young Officers Union, last year expressed the same sentiments while he was still in detention.

In an interview with reporters, Biazon said: "The question of reinstatement is getting to be a complicated issue because there are some objections, there are some proposals for differing degrees of reinstatement, and there are some opinions on selectivity of reinstatement and so on and so forth."

The senior officers echoed the call made by the AFP enlisted men and junior officers who emphasized the need for professionalism of the military establishment if the peace efforts are to prosper in the long run. The junior officers had warned that the "roots of rebellion will continue to prevail" if the AFP fails to professionalize its ranks.

In their position paper the senior officers called for the "total professionalization of the AFP within a five-year timetable." They said the "civilian leadership" should provide the "conditions for sustaining an honorable and dignified military career."

The authors of the paper cited three specific steps that needed to be taken for the attainment of these "conditions": The implementation of a realistic compensation and benefits package; the amendment of the law which stipulates that colonels to be promoted to general/commodore must first pass through the Commission on Appointments (CA), and the upgrading of military equipment.

The position paper said that the CA should screen only applicants for the position of AFP chief of staff. "Members of the AFP should not be used to secure politicians," it added.

During the consultation the officers said subjecting potential generals to the CA often resulted in partisan political considerations entering the picture.

Yorac and Biazon expressed their agreement with the officers.

"I agree with this point: There simply is no rationality about the constitutional provision in the listing of officers who ought to be submitted to the CA," Yorac said.

She pointed out that the Central Bank governor—who holds "almost the power of life and death over the nation—and the customs commissioner are not subjected to CA screening, "but a lowly colonel... is submitted to the CA and is humiliated in the process."

Biazon said he "wanted to file a bill on this only to find out that it will need some constitutional amendments."

Senate President Outlines 14-Point Agenda

HK2801050093 Manila MANILA BULLETIN in English 28 Jan 93 p 1

[Report by Olaf Giron]

[Text] Senate President Edgardo Angara outlined yesterday the upper chamber's 14-point legislative agenda, as he brushed off impressions in some quarters that the Senate leadership is a "rubber stamp" of the Ramos administration.

"I don't think any President in Malacanang can make any president of the Senate or the Senate's individual members his 'rubber stamp.' I think it's against the grain of history and reality. The upper chamber is composed of independent-minded individuals," Angara said.

He said that under his leadership, the Senate will cooperate with Malacanang, but not to the point of being subservient to its wishes and the impositions of the International Monetary Fund (IMF).

"I think it's about time we had an independent analysis of our economy and stood up against IMF prescriptions," Angara said.

The 14 points in the Senate agenda are as follows:

1. Economic recovery, centerpiece of the Senate program.
2. On graft and corruption, its reduction or elimination will save millions of pesos for the government.
3. On power shortages, the creation of the Department of Energy is the initial step towards an efficient and adequate supply of energy in the country.
4. On educational reform, the adoption of the Congressional Commission on Education (Edcom) recommendations will contribute to the economic and social advancement of the country.
5. On public health, access to medical attention must be ensured.
6. On infrastructure, needed farm-to-market roads, bridges, and telecommunication projects will be given priority.
7. On banking and financial reforms, the banking system must be relaxed.
8. On employment, the condition of the laboring class must be improved by containing inflation.
9. On peace programs, the ongoing peace talks with the rebels and insurgents must be supported.
10. On modernization of the military, it will automatically follow the peace process.
11. On decentralization and autonomy, contained in the Local Government Code, the government must fully support the local government units to attain their autonomy.
12. On the promotion of foreign investments and transfer of technology, especially in agriculture, it must be given to priority.
13. On national defense, with the pullout of American bases from the country, military modernization is needed to have a self-reliant defense and security.
14. On foreign poilcy, the government must strengthen our relationship with Japan, Europe, China, and then eighboring Asian countries and renew ties with the U.S.

Thailand

Radio Assesses Clinton Administration Policy Impact

BK2701154393 Bangkok Voice of Free Asia in Thai 1030 GMT 27 Jan 93

[Unattributed presentation: "Adjustment of Thailand's Attitude To Cope With U.S. Foreign Policy Under the Leadership of New U.S. President Bill Clinton"]

[Text] There are four factors which the Thai Government should take into consideration in order to maintain good relations and understanding with the new U.S. Administration. The four factors are: the different conditions of Thailand and the United States, U.S. economic problems and indebtedness, the endeavors of various countries to attract the attention of the U.S., and the desire of the American people to change their government.

It is noticeable that the new U.S. President and vice president as well as most members of the U.S. Cabinet belong to a post-World War II generaiton. This is probably the first time this has happened. Half of the 120 newly elected congressmen are no more than 45 years old. Naturally, these young people are energetic and eager to see improvements. They were elected by voters who are in the business circles of the same generation. Because of this, U.S. foreign policy will have to be modified so as to put a greater emphasis on reality and what is right, rather than on alliance under mutual defense treaties such as those the United States concluded with countries during the cold war period.

Considering our longstanding good relations with the United States, Thailand should not encounter any problems in the future. The exception is that the Thai side must detach itself from the past and be prepared to foster relations with the new U.S. leaders, who will focus on generating more jobs and providing social welfare and effective education for the people. Thailand must stand on its own feet and refrain from depending solely on U.S. assistance as in the past. In other words, relations between the two countries must be readjusted so they are based on principles of cooperation that truly serve mutual interests.

In order to achieve the aforementioned goals, the Thai Government should spell out its foreign policy to the United States and its attitude toward U.S. interests. Probably, the United States itself wants to see Thailand implement a foreign policy that incorporates the following six points:

1. Retain its alliance as a reliable party to treaties in Southeast Asia and maintain its military ties with the United States.
2. Maintain and defend the democratic path and respect human rights.
3. Closely cooperate with the United States in the suppression of drug trafficking in Southeast Asia.
4. Provide assistance for refugees from neigboring countries as in the past.
5. Solve existing problems regarding the protection of intellectual property. [passage indistinct]

As for Thailand, both the government and private sectors must turn to each other while Thai residents as well as the Thai Embassy in the United States, with its good knowledge of the American working system, join hands to create a friendly attitude toward Thailand among the Americans so as to defend the common interests of the two countries and ensure constant cooperation between the two sides. However, some people may think that it is more appropriate to hire Americans to do such an important task. In fact, this can be very costly and may not even be effective. Those who can do this duty better than anyone else are the Thai people themselves, as the United States believes in the importance of government of the people, by the people, and for the people.

Thailand must show its determination to uphold and to defend freedom and democracy and should take this opportunity to gain U.S. recognition of its political policy in line with the basic principles of democracy, which the United States also upholds. Members of the House of Representatives, who were directly elected by the Thai people, can effectively lobby U.S. congressmen for their good understanding toward Thailand. It is recommended that delegations of Thai members of parliament and U.S. congressmen maintain contacts, hold consultations, and exchange views on a regular basis. By so doing, we will be able to gain U.S. attention. We must make sure our stands on issues are clearly known to the U.S. side, understand the factors involved in U.S. interests, and appropriately make use of such factors in conformity with the situation, without putting either side in a disadvantageous position.

The said principle of mutual concession is in fact the unique characteristic of the Thai people. Considering the humble and optimistic nature of the Thai people coupled with the friendly attitude the majority of the American people have toward Thailand, Thai interests will be well defended. People should not be afraid that the longstanding good relations between the two countries will deteriorate simply because of a few economic conflicts, which are normal phenomena in bilateral relations between countries.

Official To Urge SNC To Relax Sanctions

BK2701143193 Bangkok Army Television Channel 5 in Thai 1200 GMT 27 Jan 93

[Text] The Thai Government has sent a message to Prince Sihanouk asking for relaxation of the ban on the exit of logs and gems through the Cambodian border to Thailand. Sakthip Krairoek, director general of the Foreign Ministry's Information Department, has disclosed that the Thai Government has sent Don Paramatwinai, the director general of the East Asia Department, to attend the meeting of the Supreme National Council in Beijing, scheduled for tomorrow. Don will also deliver the message from the foreign minister to Prince Norodom Sihanouk.

[Begin recording] [Sakthip, in progress] ... ask to consider our request for a 180-day grace period to enable us to remove some of the logs cut before the ban. The request also covers processed wood. We ask that a clear decision be made at the meeting about the specific quantities of logs that may be removed. [end recording]

Sakthip said Thailand will not be badly affected by the ban against gem exports. The ban was directed only at major gem-mining operations which used extensive equipment, but most gem-mining operations along the border are small time.

Daily Interviews Army Chief on Regional Affairs

BK2501023993 Bangkok THE NATION in English 25 Jan 93 p A2

["Excerpt" of 24 Jan "exclusive interview" with Army Commander in Chief Wimon Wongwanit at television station Channel 9 by THE NATION editor in chief, Suthichai Yun]

[Text] [Suthichai] International communities have called for pressure on the Burmese military junta to end its harsh rule, but the Chuan government is determined to continue its policy of non-interference in Rangoon's internal affairs. What is the Thai military's feeling?

[Wongwanit] I am on quite familiar terms with Burma's military leaders. It's Thailand's foreign policy to befriend any country which seeks friendship, regardless of its political system.

No matter whether we oppose or agree with that country's political system, we will not intervene. We do not have the ability to force our will on another country, as a powerful nation could do. But as Rangoon's neighbour, Thailand does have the right to try to persuade it to accept positive change and to acknawledge the benefits of democracy.

Regarding Cambodia, as I have commented several times, a durable peace is possible only with the endorsement of the Cambodians themselves—people who speak the same language and will share in the benefits. It cannot be imposed by outsiders.

The impasse in Cambodia continues because its leaders cannot agree on power sharing. Once they reach a settlement, talks will proceed successfully.

Peace will bring economic development and prosperity to Cambodians and Thais alike. It would also mean an end to the gangs of armed guerrillas who are robbing and killing almost daily in our northeastern border provinces.

The army has been forced to send more soldiers to keep the law along the border. Some of our men have been killed—either by stepping on mines or in fighting with the armed gangs.

Innocent people are also suffering from the influx of cheap weapons and ammunition across the border into Thailand. Unless we can halt this trade, domestic peace will certainly be affected.

[Suthichai] Thai military officers have been criticized for having a close relationship with the Khmer Rouge faction. Is this criticism justified?

[Wongwanit] We have known people in every party, because it is Thailand which brought the four factions together, to sit and talk, in an attempt to bring peace back to Cambodia.

The Khmer Rouge's refusal of join the peace process rests on two demands. The first is the strengthening of the powerless Supreme National Council (SNC), with which we quite agree. The Khmer Rouge fear that if the SNC remains ineffective, they will not be treated fairly in the general elections.

The second demand is for verification that there is no longer a Vietnamese military presence in Cambodia. Without this guarantee the general elections would be pointless.

I have discussed this issue with Vietnamese leaders who have in turn urged Thailand to bring the Khmer Rouge back into the peace process by any means. I told them that we have neither the influence nor the strength to pressure the faction either way.

Vietnamese leaders have assured me that they have no troops in Cambodia, and I believe them.

Gen Sak Sudsakorn of the Khmer People's National Liberation Front, recently told me that he had captured 21 Vietnamese soldiers and sent them to United Nations' peacekeepers.

I think it's probable that the only Vietnamese in Cambodia are those who have already retired and work there.

[Suthichai] Do you feel there is any current regional dispute with the potential to affect the security of Thailand and the Southeastern region in the next five years?

[Wongwanit] The dispute over the Spratly Islands, because it involves four or five countries, each of which claims legitimate sovereignty. However, the Chinese side has told me there should be no further problems as an agreement has been reached to jointly develop the area.

Of course, there's also a potential for disagreement about overlapping Exclusive Economic Zones (EEZ). Thailand, Malaysia, Vietnam and Cambodia all have overlapping claims.

They'll have to come to some agreement soon. If they fail, conflict will certainly follow.

And in this regard I want to stress that the presence of a strong military is essential for bargaining power.

[Suthichai] Are you advocating that Thailand therefore strengthen its military forces as a bargaining tool?

[Wongwanit] Although the Cold War has ended, the military still has the duty to protect the nation's land and marine natural resources and retain their benefits for the people. We will not succeed in any negotiation if we have no military power.

The Thai army has built up close ties and understanding with other armies in the region. We are clearly aware that if there is war, it would be the "good men" on both sides, the military people, who do the dying.

However, it does not require massive military might to back up bargaining power. The visible power is the number of soldiers, weapons and aeroplanes; the unseen power is good leadership, courage and training.

[Suthichai] What is the army policy on purchasing weapons?

[Wongwanit] We purchase new weapons only to replace the old ones. In the past, the United States supported us in several ways. But times have changed, the US has stopped its support. As time passes, weapons become outdated and we must purchase new ones to replace them.

What we are in urgent need of is equipment to help develop the country and to help the people to contend with drought and disaster—water tank trucks, engineering machinery and transportation vehicles.

The country also needs modern communications equipment.

[Suthichai] When you took over as army chief, you promised to look into allegations about private commissions earned on weapons purchases, and also the "army's secret budget".

[Wongwanit] I can guarantee that I will never have a problem with commissions. Every highranking officer feels the same way. In the past, officers have felt great pride in not doing such a thing.

Regarding the army's secret budget: there is something, but I cannot reveal it. We have used the secret budget to benefit the army and national security.

The army will reveal any information which the public has a right to know.

[Suthichai] What is Thailand's security policy towards its neighbouring countries? I don't have to talk about Malaysia, because it has economic stability and good ties with Thailand. There is sincerity between us, even though some Malaysian political parties have treated us badly. However, such actions do not affect us because the Malaysian government is very good to us.

Laos has tried to develop its economy and wants more ties with Thailand. It will in the near future need more help from us and our mutual relationship will be strengthened.

On the two other countries which share our borders—Burma and Cambodia—I want to make myself clear.

We have a long border with Burma. Even if Burma has political stability under the military junta at present, this will not last long. International communities have put pressure on the military-dominated government.

Another problem involves the minority groups, which obstruct all attempts to create security there. This also affects Thailand, because the military junta will launch an offensive against the minority groups next month.

This will certainly affect our border provinces, as the rebels may cross into Thailand to escape, and the fighting could also drive the troops into our country. If that happens, we have to push them out of our territory.

Thailand also faces the problem of Burmese slipping across the border to land jobs or stay temporarily. Our country will have to face the problems of illegal immigrants until the Burmese government can integrate the country.

A more serious problem is the traffficking of drugs from Burma through Thailand. Thailand is only a transit point for drugs, used because it has a good communication network. We must try to stop drug trafficking. But the process requires an extended effort and reat cooperation from other countries.

Chief Discusses Streamlining Operations

BK2801033093 Bangkok THE NATION in English 26 Jan 93 p A1, A2

[Text] The army will streamline its operation and step up defence capabilities in line with the country's economic and social development, according to Army Commander in Chief Wimon Wongwanit.

Gen Wimon, in an interview with THE NATION on Sunday, said the army under his leadership would strive to maintain a high level of preparedness in light of the rapid expansion of national interests.

"The smaller the army becomes, the more efficient it should be," Wimon said.

The army chief said the army's capabilities should grow to correspond with the increase in the country's economic interests.

To streamline army operations, the active forces will be reduced in size and the defence reserve will have to be better trained and equipped, he said. The army chief said the army intended to develop the defence reserve in a way that would make it possible to mobilize it for total warfare at short notice.

Wimon said despite the end of the Cold War following the fragmentation of the Soviet Union, the army still needed to maintain its high level of preparedness in peacetime.

"The army and the other armed forces are an important tool for the government in its diplomacy. Without strong armed forces, the government would lose its bargaining power in international politics," the army chief said.

He said to defend Thailand's territorial integrity and the national interest, the country didn't need to maintain a massive armed forces because today's advanced technology in weaponry had diminished the advantage of numbers.

"A country's defence capabilities can be divided into the tangible, like how many troops and how much weaponry it has, and the intangible, such as good leadership, high morale and adequate training. All these make up our bargaining power in international politics," the army chief said.

Wimon said the army was trying to improve conditions and cut back the length of service to between one year and 18 months from the present two years to increase the incentives for would-be volunteers.

Another incentive, which the army chief said would attract many volunteers, was to make army conscripts eligible for a long-term career in the army through admission to the army cadet corps.

The army is also considering lowering the age of compulsory military service from 21 to 18 or 19 because at

21 many prospective draftees already have families and have started a career he said.

"By admitting younger draftees, the army will increase the stock of its defence reserves and therefore enable it to streamline its active forces without compromising its defence capabilities," Wimon said.

The army chief said the restructuring of the army would be carried out gradually, in order to not cause too much hardship to army personnel who would be released from service because of the streamlining.

Part of the active forces will be transformed into auxiliary development agencies which will support the government's rural development work, he said.

Asked whether the Communist Party of Thailand remained a threat to national security, Wimon said although the armed struggle by the communist guerillas no longer constituted a threat, it continued to wage ideological warfare.

"As long as there is a wide gap between the rich and the poor, many people, particularly the underprivileged, will still be attracted to communism," the army chief said.

He said Muslim separatist movements in the four southern provinces continue to exploit the suspicion between the predominantly-Muslim population and the Buddhist minority.

On the army's arms acquisition plan, he said there was no plan for major weapons purchases at this time.

What we are doing right now is buying new weapons as replacements for obsolete ones.

Australia Urged To Ease Trade Protection Measures

BK2501011993 Bangkok BANGKOK POST in English 25 Jan 93 p 19

[Text] Thailand has urged Australia to ease trade protectionism which is inhibiting trade between the two countries.

Deputy Commerce Minister Phaithun Kaeothong put the request to Australian Foreign and Commerce Minister Gareth Evans this week.

Thailand recorded a trade deficit with Australia for three years, US$142 million in 1989, $188.2 million in 1990 and $199.2 million in 1991.

The Australians have accused Thailand of exporting too much to their country, especially canned tomatoes, canned tuna and ready-made food.

Mr Evans said the trade protection measures are temporary because Australia is in an economic recession. It will try to solve the problem.

Mr Phaithun asked Australia to invest in Thailand, especially in leather goods and shoe production. Wages in Thailand are lower than in Australia and Thailand has a policy to reduce taxes in accordance with the Asean Free Trade Area agreement (AFTA).

Australia asked for trade and investment negotiations at Commerce Ministers' level every year on matters such as trade expansion, and for Thailand to implement an economic relations treaty.

Chuan Warns Farmers To Refrain From 2d Crop

BK2401021093 Bangkok THE SUNDAY POST in English 24 Jan 93 p 1

[Text] Farmers are defying calls for them to refrain from growing a second rice crop year, despite repeated warnings by the Government of a critical shortage of water.

Officials say farmers are already planting rice in more than 900,000 rai in the Central Plains.

They warn that the problem is likely to become another political hot potato for the Government when planters feel the impact of drought next month.

State agencies have called on farmers in the lower Chao Phraya Basin not to plant the second crop because of low water reserves behind major dams.

The officials have said they will have to keep part of the supply for tap water production and to flush out seawater surges in the Chao Phraya River during the dry season.

They will not be able to allocate water for a second paddy crop. Farmers are drawing from natural water sources in canals and ponds to feed their second-crop seedlings.

Without additional water from the dams, the rice fields will soon dry up, the sources said.

Despite the warnings, diehard farmers believe the Government will help them when they are hit by the drought, the sources said.

The farmers have also refused to turn to other cash crops as suggested by the Government as they believe the state will intervene if the rice fails to fetch good prices after being harvested.

Because the farmers have pinned a lot of hope on state-assistance, the Government will be unable to avoid problems that may arise when the farmers realise too late that the Government will not be able to help them this time, the sources said.

Prime Minister Chuan Likphai, who toured Chai Nat Province to monitor the paddy price situation, repeated the official warning to farmers, pointing out that the drought this year will be the worst for 25 years.

He urged them to start economising. The Premier visited farmers in Sapphaya and Sankhaburi districts of the province after presiding over of an exhibition of bird models from rice straw in Muang District.

Accompanying him were Deputy Prime Minister Suphachai Phanitchaphak, Deputy Interior Minister Suthat Ngoenmun, Deputy Commerce Minister Chaiyot Sasomsap and Interior Permanent Secretary Anant Anantakun.

The rice farmers should grow other cash crops which consume little water in the second rice-growing season, using seeds being distributed by the Agriculture Ministry, the Premier said.

He told those at the exhibition that farm produce worldwide, not just rice, is suffering from falling prices.

Vietnam, which was once Thailand's rice buyer, has become a leading exporter replacing the United States as the second-largest rice exporter.

Many of Thailand's customers have turned to Vietnam because its rice prices are lower.

Farmers should mortgage their rice with the Bank of Agriculture and Agricultural Cooperatives, the Premier said.

He promised to help build drying pads and and barns for farmers to enable them to maintain the quality of their rice after harvesting.

He said his deputies will help coordinate work with other state agencies to speed up distribution of fertiliser to farmers.

Tuna Dispute With EC Settled

BK2301020393 Bangkok THE NATION in English 23 Jan 93 p B1

[By Atchara Phonwutthitham]

[Text] The European Community and Thai officials have agreed to settle amicably the 4-year-old dispute over an alleged false canned tuna shipment from Thailand—saving Thai exporters EC privileges granted to them, worth more than Bt [baht] 75 billion per annum.

Following investigations, Thai officials said they have failed to find concrete evidence which prove Thai exporters sent a different type of canned fish to the EC which could not be eligible for tariff reduction under the Generalised System of Preferences (GSP).

EC officials asked the Thai Commerce Ministry to present the case to them on Jan 15 this year. Thailand is the biggest exporter of canned tuna to the EC, followed by Indonesia and the Philippines.

Thai officials also informed their EC partners that Thailand has an inspecting system to grade canned tuna exports. EC officials could not be reached for the comment yesterday.

The EC had earlier threatened to suspend tax concessions to Thai exporters if Thai officials failed to clarify the case to the Community's officials. It has asked Thailand to withdraw 5,400 form-A certificates for Thai tuna exports seeking tax concessions under the GSP.

But Bunthipha Simasakun, deputy director-general of the Foreign Trade Department, said EC officials informed his department in the letter dated Jan 16 that the Community has decided to revoke its request seeking a withdrawal, and decided not to discuss the case again.

EC officials in 1989 charged Thai exporters of sending the falsely labelled tuna to the Community, saying the cans did not contain the bonito sarda variety, as stated on the packaging. (The EC Customs laws give a tax privilege of 18 per cent import tariff to canned bonito sarda, as against the normal rate of 24 per cent for other tuna.)

The EC, in 1991, suspended the tax privilege on Thai canned tuna exports by charging the normal rate of 24 per cent. In response Thai officials withdrew about 900 form-A certificates, which were proved fake.

Officials in Brussels, Bunthipha added, also agreed to stop investigating into the form-A certificates which Thai officials have issued in the past.

In 1991, Thai tuna exporters sold US$3.07 billion (about Bt75 billion) to the Community under its GSP programme, out of the total Thai exports of US$5.9 billion.

EC officials have also accused the other Asean counterparts, including Indonesia and the Philippines on charges of sending wrong varieties of canned tuna.

Although Thai and EC officials can settle their differences over the case, the two sides have yet not been able to agree over the EC's global quota.

Starting this year, the EC has limited canned tuna imports to 74,000 tonnes a year. Thailand and other tuna exporting countries view thls quota as being harsh.

Deputy Prime Minister Suphachai Phanitchphak said that Thai officials have not yet decided on on whether to appeal to the multilateral trade talks under the General Agreement on Tariffs and Trade asking the EC to grant more market access to Thai tuna.

Petrochemical Producers Ask for Government Help

BK2201043793 Bangkok THE NATION in English 22 Jan 93 p B2

[Text] In a bid to cushion themselves from possible adverse effects as a result of the implementation of the Asean Free Trade Area [Afta], Thai petrochemical producers have petitioned the government for state loan guarantees, import duty cuts and fixed quotas.

The Afta has created a mood of uncertainty in the local petrochemical industry, with local producers saying that they are already finding it difficult to obtain financing.

although the tax cuts on imported petrochemical products will not come into force until after 1996, making it cheaper for Thai buyers to purchase petrochemicals abroad.

Dr Witet Witanuwimon, general manager of the petrochemical business of the Petroleum Authority of Thailand, suggested full intervention by the government in aiding the industry.

He said the government should arrange financing for local petrochemical projects by buying bonds from the producers. The state can buy the bonds using part of ttle fiscal surplus reserves.

Dr Phichit Nithiwasin, managing director of the HMC Polymer Co Ltd, said that the government in the past had used such a method to help some industrial projects.

The Thai government is well aware of the vulnerability of Thai industries. In Chiang Mai recently, Deputy Prime Minister Suphachai Phanitchaphak proposed to the meeting of the Asean Chamber of Commerce and Industry that a central fund should be established, called Afta Adjustment Fund, to provide credit with low interest rates to local industries during the transitional period of Afta.

The private sector's response remained lukewarm.

The first phase of Afta came into being at the start of this year. The tax barriers will be dissolved during the next 15 years, and the maximum tanff rate by the year 2008 will be only five per cent.

Fifteen categories of products, however, are subject to accelerated tariff cuts to a maximum of 5 percent within the first seven to ten years.

Petrochemicals is one of the 15 under the fast-track tariff reduction programme. The Thai government has decided, however, to include it in the longer plan to help the industry.

Finance Minister Tharin Nimmanhemin said that the petrochemicals cannot be under the exclusion list as sought by petrochemical producers because they are basic raw materials for many industries which must stay competitive. (Products in the exclusion list are subject to temporary delay from the Afta tariff reduction for 8 years.)

As concern heightens over the competitiveness of the Thai petrochemicals against Asean imports, local producers want the government to lower the import tariffs after the National Petrochemical Complex 2 starts operating, five or seven years hence.

Siri Chiraphongphan, senior vice president of the Merchant Banking Group of Bangkok Bank, voiced concern in particular about the procedures and criteria in the issuing of certificates of origin to ensure that the products are really from Asean countries.

One local producer added that the government should come up with programmes to help cut production cost, or implement non-tariff measures to protect the domestic industry. One of the possible measures is to impose annual quotas on imports.

The government had said that it would try to help the local industry through natural gas price subsidy, but Dr Witet argued the major problem of the local petrochemical industry is not the higher price of natural gas.

He also renewed a previous proposal that the government revamp the discriminatory pricing structure of NPC-I known as "cost plus" which allows the National Petrochemical Corp Ltd to sell products to downstream plants at a minimum cost margin.

"The plants under second phase petrochemical development (NPC-II) do not consume natural gas, but the feedstock 'naphtha' [a by-product of oil refineries]. Therefore, it is useless to think about only to cut the production cost of natural gas," he said.

Once the National Petrochemical Complex 2 project starts, it is expected that the plants under the NPC-II will consume at 70 per cent, the bulk of the total raw materials in the petrochemical industry.

In addition, the government should also restructure the tariffs on raw material imports, such as chemicals, catalysts and spare parts, to promote of local products against the other Asean countries, Siri added.

Such a system does not exist under the NPC-I where the market force is allowed to dictate pricing. He said the two concepts are in conflict with one another.

Finance Ministry Panel To Restructure Tariffs

BK2301021693 Bangkok THE NATION in English 23 Jan 93 p B8

[Text] The Finance Ministry has set up a committee to restructure tariffs in order to promote the long-term competitiveness of Thai exports.

At the same time, Finance Minister Tharin Nimmanhemin has declared the ministry's readiness to protect the petrochemical industry from an expected deluge of imports from Asean countries.

The establishment of the committee, to be chaired by the permanent secretary for finance and which will consider tariff reductions and alignment for raw materials, intermediary materials and finished products, is seen as an attempt to speed up the slow progress of tariff restructuring.

Concerns have heightened in the private sector over the competitiveness of Thai industries, especially in view of the Asean Free Trade Area (Afta) which started its 15-year tariff reduction phase at the beginning of the year.

Tharin said the committee would oversee tariff realignment so that production costs of industnes, including petrochemicals, do not become too high.

"The realignment of tariffs does not mean that we will protect domestic industries by failing to restructure domestic taxes. We will make appropriate adjustments.

"It has been discussed with the industries concerned and the working principle is to ensure cost competitiveness," the minister said.

The aim is to reduce tariff rates on raw material imports and adjust the rates for intermediate matenals. The tariff rates on finished products will be higher, but not so high as to close off imports. They will be in line with the pending General Agreement on Tariffs and Trade agreement.

And the committee will also have to clarify which products are defined as raw materials, semi-materials and finished products.

And referring to concerns expressed by the petrochemical industry about the expected flood of Asean imports, the finance minister said he had passed the ministry's action plan to people in the industry.

Its main points are:

—In view of tax restructuring, the Finance Ministry is prepared to provide an explanation to commercial banks which are creditors of petrochemical projects and concemed with the commercial viability of their clients.

—The ministry is speeding up progress of a study on petrochemical taxes. Malaysia and Indonesia have put petrochemicals on the exclusion list under Afta, but Thailand has placed them on the normal track. If adjustments are made by Indonesia and Malaysia, Thailand is prepared to use appropriate measures to protect its petrochemlcal sector.

—The Finance Ministry has already held talks with the Commerce Ministry about introducing an anti-dumping law to protect domestic industries from imports they deem to be unfair.

The important point is that the industries have to adjust to the new environment. There will not be endless protection since it will reduce the country's ability to be competitive.

Tin Production, Exports Seen Lagging Behind Quota

BK2301022493 Bangkok BANGKOK POST in English 23 Jan 93 p 20

[Text] Thailand's tin production and exports this year are expected to continue to lag behind the quota allocated to it by the Association of Tin Producing Countries.

Thailand's Mining Industry Council (MIC) said domestic tin consumption and exports in 1993 is likely to fall 1,000 tons below the 13,500 metric ton quota allocated by the association.

The low tin prices and a sizable stock overhanging the world market are attributed to the expected shortfall in Thai tin production.

According to MIC secretary-general Phunya Adunyaphichit, Thai tin exports this year will be around 7,500 tons with local demand estimated at 5,000 tons. He noted that the figures are based on the projection that tin price would remain at the level of 17 Malaysian ringgit per kilogramme.

Based on actual figures in the first ten months of 1993 and an estimate for the remaining two months of the year total Thai tin exports and local usage for the whole 1992 will be less than 14,500 ton quota of 1992 set by ATPC for Thailand.

In the January-October 1992 period, tin exports and domestic demand totalled 6,267 tons and 3,907 tons respectively.

Mr Phunya noted that domestic tin consumption has been rising owing to stronger demand from tinplate and solder industries. Domestic consumption for 1992 will have exceeded the 1991 record of 4,420 tons and is quite likely to reach 5,000 tons in 1993.

MIC believes that the number of of tin mines in operation in Thailand has further shrunk to fewer than 100 from 108 recorded in September 1992.

That number is a far cry from more than 600 mines operating in 1981. Likewise, the number of workers employed by the Thai tin industries has sharply declined from 46,411 in 1981 to 10,355 last year.

Investment Applications Expected To Decline

BK2001030393 Bangkok BANGKOK POST in English 20 Jan 93 p 26

[Text] The number of investment applications is expected to decline this year but several promising trends will help sustain general investment conditions in Thailand.

This is the message of Board of Investment [BOI] secretary-general Sathaphon Kawitanon in a speech yesterday on "Changing with the times, the new service role of the Board of Investment" to the joint European Chambers of Commerce.

Mr Sathaphon said that despite the political upheaval in Thailand last year, economic development is proceeding satisfactorily, with healthy growth of 7.5 percent.

Gross domestic product is expected to increase by almost 8 percent this year. Inflation will remain under 5 percent with the external account being expected to continue to improve.

Mr Sathaphon said: "Overall the investment picture last year was a mixed one. While projects in the pipeline proceeded through the BOI approval process, both total investment and foreign direct investment applications continued to decline."

He attributed the decline in foreign direct investment to political instability in Thailand, more attractive labour costs elsewhere in the region, infrastructure and manpower constraints in Thailand, and the world recession.

However, Mr Sathaphon said that despite the downward trend in investment applications this year, there are a number of promising factors that make him optimistic about the investment condition.

Firstly, the considerable investment committed to infrastructure will ensure continued high investment levels over the next few years.

Secondly, an increasing percentage of new investments under BOI's processing are in the areas of supporting industries which will deepen and strengthen Thailand's industrial structure in the future.

And lastly, he said that the delays in project implementation last year were only a temporary phoenomenon. This was because sufficient foreign direct investment projects remained in the pipeline. The delays mainly resulted from last year's political unrest.

Touching on the question of European investment, Mr Sathaphon said the BOI has awarded investment certificates to around three billion US dollars of European investment in the past three years.

"I hope many of these granted investments will come on-stream next year or so," he said. "The vast majority of European projects are in the areas of high priority and we shall be seriously targeting more such investments from Europe this year. Your assistance in our efforts would be much appreciated."

Mr Sathaphon said Thailand's future economic prospects depend a lot on global conditions, particularly on this region's development as an investment site and trading partner.

Thailand is therefore cooperating closely with its ASEAN neighbours in implementing the ASEAN Free Trade Area and working on many ways to support development efforts in Indochina.

Turning to the BOI's role, Mr Sathaphon said changes to keep pace with the evolving economic environment are proceeding, but last year is seen as the significant one because economic liberalisation and tax reforms reduced the BOI's role in promoting investment through granting tax incentives.

Accordingly, the BOI is evolving into an effective and responsive service organisation; its continuing mission is to find ways of improving and increasing support to business and investment.

He said many major reforms in the BOI were launched last year. Among them were the BOI's reorganisation along sectoral lines so that the entire process of applying for privileges is now accomplished in one office. Besides this, the reorganisation is already resulting in staff having greater expertise within each sector.

As a result, applications are now processed in 60 days rather than 90 and customs clearance documentation is issued in seven days rather than 30.

The routine customs transactions for inputs have been computerised and subcontracted out to Software Development Co, an affiliate of IBM. The cost per transaction is 40 baht and average time for clearance is now one day, down from three to seven days previously, Mr Sathaphon said.

Thai-Cambodian Economic Seminar Planned

WA2701163793

[Editorial Report] Bangkok SIAM RAT in Thai on 21 December 1992 reports on page 9 on the planning for a joint Thai-Cambodian economic development seminar. Trat Governor Amon Anantachai stated that the seminar organizers would be the Thai Ministry of Commerce's Export Promotion Department, the Siam Commercial Bank Ltd, the Trat Province Chamber of Commerce and officials from Cambodia's Koh Kong Province. The theme of the seminar would be "trends in cooperation in opening Thai-Cambodian economic and trade zones". The Thai Minister of Commerce Uthai Phimchaichon would preside at the seminar's opening.

Vietnam

Spokesman Rejects 'Disgusting Allegations'

BK2801114793 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 28 Jan 93

[Text] On 27 January the spokesman for Vietnamese Embassy accredited with the Supreme National Council of Cambodia, SNC, issued a statement, which reads in full as follows:

On 16 January, a spokesman for the Democratic Kampuchea Army made public a statement dealing with so-called Vietnamese military activities in Cambodia. At the 30th session of the Joint Military Working Group on 25 January 1993, a representative of Democratic Kampuchea also fabricated the presence of Vietnamese troops in Cambodia.

The spokesman for the SRV Embassy accredited with the SNC is hereby authorized to totally reject these ill-intentioned slanderous allegations and once again affirms that the Socialist Republic of Vietnam pulled all of its troops out of Cambodia in September 1989 and has since then not reintroduced into Cambodia any of its military forces, either military advisers or weapons.

These disgusting allegations repeatedly advanced by the Democratic Kampuchea faction on the alleged presence of Vietnamese troops in Cambodia are aimed at covering up their military and terrorist actions and at systematically sabotaging the implementation of the Paris agreement on Cambodia, for which they are being sternly condemned by the public.

France, UK Condemn 'Massacres'

BK2701151993 Hanoi VNA in English 1434 GMT 27 Jan 93

[Text] Hanoi VNA January 27—French Minister of Foreign Affairs Roland Dumas and British Foreign and Commonwealth Affairs Secretary Douglas Hurd have sent their letters of reply to Foreign Minister Nguyen Manh Cam's note dated Dec. 30, 1992 on the massacres of Vietnamese residents in Cambodia.

In his letter, Foreign Minister Roland Dumas wrote:

"The French Government has learnt with deep concern [of] the killings of Vietnamese residents in Cambodia. France has always condemned with the greatest vehemence the acts of violence against civilians. France is deeply shocked at those atrocities.

"Judging by recent events, a large number of Vietnamese are living in Cambodia in conditions which might become more and more precarious.

"I wish that common efforts of the international community with regard to the Khmer Rouge and the deployment of the United Nations forces on the spot will prevent the recurrence of such crimes."

For his part, British Secretary D. Hurd wrote:

"Thank you for your message of 30 December about the killing of 14 people, including 12 Vietnamese in Kompong Chnang Province in Cambodia on 27 December.

"We deplore this and similar acts to stir up racial hatred in Cambodia. All the Cambodian factions should fulfill their obligations under the terms of the Paris agreements and ensure that human rights are respected. We have urged the UN Transitional Authority in Cambodia to take steps to guarantee the safety of all those now in Cambodia, regardless of their ethnic origin.

"We remain committed to the full implementation of the Paris agreements to ensure that peace returns not only to Cambodia but to the region as a whole."

Hanoi Radio Reports Doan Khue's Tet Activities

BK2701114993

[Editorial Report] Hanoi Voice of Vietnam Network in Vietnamese at 1100 GMT on 22 January carries a one-minute report saying that "on the morning of Tet eve General Doan Khue, Political Bureau member of the Party Central Committee and deputy secretary of its Military Commission and minister of national defense, visited and extended Tet greetings to the Vietnam War Veterans Association." He was received by the comrade standing members of the association's central committee.

"General Doan Khue welcomed the coordination of activities between the Army and the Vietnam War Veterans Association, which has brought about practical results. He also suggested that as we embark on 1993, efforts should be made by the association at all levels to continue carrying out propaganda and educational work even more satisfactorily among local youths to encourage them to enthusiastically apply the law on military service and voluntarily join various army officer training schools."

Hanoi Vietnam Television Network in Vietnamese at 1200 GMT on 25 January carries a report of less than one minute saying that "on the first day of the Year-of-the-Rooster spring festival, Senior General Doan Khue, minister of national defense, paid a Tet visit to the Signal Corps Command."

He was taken by the leading comrades of the Signal Corps Command on an inspection tour of various signal detachments on combat standby duty.

Chatting with those signal corpsmen present, "The comrade senior general urged the signal corpsmen to profoundly understand the renovation tasks set forth by the Seventh Party Congress as well as the tasks to be carried by the army and the signal corps in the new situation, and to gradually renovate, satisfactorily maintain, and use with extreme care all the signal devices needed for the combat- readiness task."

Leaders of those signal units having the honor of welcoming the comrade's visit pledged that they would try their best to satisactorily perform the 1993 tasks of their combat branch.

Reports Vo Van Kiet's Tet Activities

BK2701120393

[Editorial Report] Hanoi Voice of Vietnam Network in Vietnamese at 0500 GMT on 22 January carries a five-minute report saying that immediately after attending the ground-breaking ceremony for the construction of the 500-kv Phu Lam-Ho Chi Minh City transformer station on the morning of 21 January, "Prime Minister Vo Van Kiet travelled by helicopter to visit with and to extend Tet greetings to cadres, workers, and specialists at the construction site of the Thac Mo hydroelectric powerplant in Song Be Province. He was accompanied by Comrade Thai Phung Ne, minister of energy."

The prime minister was warmly welcomed by Comrade Sau Phong, secretary of the provincial party committee; Comrade Quoc Phuong, chairman of the provincial people's committee; and the comrade leaders and workers of the various forces taking part in construction of Thac Mo hydroelectric powerplant and a large number of the people in Phuoc Long.

"Prime Minister Vo Van Kiet walked over to the worksite to meet with, to extend Tet greetings to, and to present gifts to those cadres and workers who were working intensively even on the occasion of Tet. He also witnessed the pouring of the first volume of concrete at the foundation of the power plant."

Hanoi Voice of Vietnam Network in Vietnamese at 1100 GMT on 25 January broadcasts a three-minute report, saying that "the collective of cadres, workers, and peasants of the Vietnam Union of Sericultural Enteprises in Bao Lao of Lam Dong Province accorded a warm welcome to Prime Minister Vo Van Kiet, who paid a Tet new year visit to them on the morning of the third day of the Tet festival" on 25 January.

After hearing Comrade Nguyen Van, director general of the union, give a briefing on the growth of the Vietnamese sericultural sector, "Prime Minster Vo Van Kiet highly valued the achievements of the Vietnamese sericultural sector, notably its successful bid to provide employment for 3,000 workers, turn out more exports, and regreen various unoccuppied plots and bare hills with mulberry trees. On the occasion of the new year, the comrade wished the cadres, workers, and peasants of the Vietnam Union of Sericultural Enterprises greater achievements so as to help accelerate national economic development efforts."

Reports Le Duc Anh Tet Visits

BK2701103993

[Editorial Report] Hanoi Voice of Vietnam Network in Vietnamese at 1100 GMT on 19 and 20 January and at 1430, 1430, and 1400 GMT respectively on 20, 21, and 25 January carries reports on SRV President Le Duc Anh paying Tet visits to economic establishments in Hanoi, sending flowers to combatants on the Spratly Islands, calling on people at Duc Tu village, and addressing war invalids in Ha Bac Province on the occasion of the Vietnamese Traditional New Year.

Hanoi Voice of Vietnam Network at 1100 GMT on 19 January carries a five-minute report on SRV President Le Duc Anh visiting a number of economic establishments in Hanoi on the eve of the traditional Vietnamese new year. The radio says the president visited the Hanoi Post and Telecommunications Center and was warmly welcomed by Dang Van Than, director of the Post and Telegraph Department. "President Le Duc Anh held a cordial meeting with cadres, workers, and personnel of the department. On this occasion, a televised address was sent from Hanoi to Danang City carrying the president's Tet greetings to people and combatants in Quang Nam-Danang Province. He also made a distant phone call to greet the people's committee chairman of Thua Thien-Hue Province. The president wished the local people a happy new year and urged them to enhance the tradition of love and unity, to strive to overcome difficulties, and to build the province to be strong and prosperous."

The radio further says that the president also used the distant telephone network to convey his Tet greetings to the party committee secretary of Son La Province; the chairman of the people's committee of the Truong Sa [Spratly] Islands; and the party organization secretary of Ho Chi Minh City's Cu Chi District.

The radio says that "in his talk to leading cadres of the Post and Telegraph Department, President Le Duc Anh commended them for their efforts and achievements scored in modernizing and improving the communications network at home and with foreign countries, thereby effectively serving the renovation undertaking and strengthening international relations. He expressed the hope that in the days ahead, the Post and Telegraph sector will strive to improve its tasks to satisfactorily serve the cause of national construction and defense, expand relations with foreign countries, and win confidence from the people and its clients."

Hanoi Voice of Vietnam Network in Vietnamese at 1100 GMT on 20 January carries a one-minute report saying that "on the occasion of the traditional Vietnamese new year, President Le Duc Anh sent bouquets to combatants on the Truong Sa [Spratly] Islands. The bouquets were received by Rear Admiral Le Van Xuan, deputy political commissar of the Navy, who afterward sent the bouquets to combatants on the island."

Hanoi Voice of Vietnam Network in Vietnamese at 1430 GMT on 20 January carries a three-minute report saying that "on the morning of 19 January President Le Duc Anh visited and extended Tet greetings to war invalids at their convalescent center in Thuan Thanh District of Ha Bac Province. Accompanying him were Comrade Tran Dinh Hoa, minister of labor, war invalids, and social welfare, and Comrade Ngo Dinh Loan, chairman of the Ha Bac Provincial People's Committee.

"Comrade Chu Duc Dai, director of the center, briefed the president on the tasks of caring for, feeding, and rendering medical treatment to 152 helplessly disabled soldiers, including 10 female soldiers.

"Addressing the brother and sister war invalids on behalf of the party and state, President Le Duc Anh noted with emotion their sacrifices and losses." He also expressed the gratitude of the state and people to the various mothers, wives, and sisters for having sacrificed their sons, husbands, and brothers for the country in the wars for national defense during the past several decades.

"On this occasion, President Le Duc Anh also visited and extended Tet greetings to the party committee, people's committee, and people's council of Thuan Thanh District, and held a cordial get-together with the people's committee chairmen and party chapter secretaries from all villages in the district."

Hanoi Voice of Vietnam Network in Vietnamese at 1430 GMT on 20 January also carries a two-minute report

saying that "on 20 January President Le Duc Anh visited and extended Tet greetings to the SOS children's village in Hanoi."

He was welcomed by Comrade Le At Hoi, chairman of the Hanoi municipal people's committee; representatives from the Ministry of Labor, War Invalids, and Social Welfare; and Comrade Ta Thi Ngoc Thanh, director of the SOS village.

"President Le Duc Anh offered the children and teachers Tet gifts and, on behalf of the state, thanked the teachers for having devotedly loved, educated, and cared for the children as they do their own children. He also thanked SOS International for having assisted Vietnam in building five SOS children's villages throughout the country."

Hanoi Voice of Vietnam Network in Vietnamese at 1430 GMT on 21 January carries a three-minute report saying that "on the morning of 21 January President Le Duc Anh visited and extended Tet greetings to the people of Duc Tu village in Dong Anh District of Hanoi." Accompanying the president were Comrade Le At Hoi, chairman of the Hanoi people's committee, and Comrade Nguyen Viet Dung, director of the office of the president of the state.

"President Le Duc Anh extended his cordial Tet greetings to the party organization, administration, front committee, and people of Duc Tu village. He welcomed the achievements recorded by Duc Tu village in the fields of agriculture, education, public health, social welfare, and political security, as well as its efforts to invest in the development of infrastructure, thus creating favorable conditions for its socioeconomic development.

"Earlier, President Le Duc Anh visited the family of brother Pham Hong Phien, a totally blind war veteran during the anti-U.S. war of resistance in the delta region of the south, and the family of Mr. Phan Van Duoc, a skilled handicraftsman and father of a fallen combatant. After inquiring of these two families about their living conditions and daily activities, the president offered them gifts and wished them good health in the new year."

Hanoi Voice of Vietnam Network in Vietnamese at 1400 GMT on 25 January carries a report of less than one minute saying that "on the occasion of the lunar new year of the rooster, President Le Duc Anh of the Socialist Republic of Vietnam has sent a flower bouquet as a gift to the paper QUAN DOI NHAN DAN.

"Rejoicing at the profound concern of the party and state, cadres, correspondents, workers, and personnel of the paper QUAN DOI NHAN DAN graciously received the flower bouquet from President Le Duc Anh and pledged to develop the glorious traditions of the heroic Vietnam People's Army in order to firmly maintain the objectives and principles of the paper."

Australia

Treasurer Announces Inflation Rate Drop

BK2801053993 Melbourne Radio Australia in English 0500 GMT 28 Jan 93

[Text] The Australian Government has welcomed figures showing the nation has achieved its lowest annual inflation in 30 years. The chief economic minister, Treasurer John Dawkins, said the December quarter figures further established Australia's reputation as a low inflation country, but Mark Tamhane reports Mr. Dawkins also announced the government has revised downward its forecast for economic growth.

[Begin Tamhane recording] Inflation increased by half a percent between the September and Decembers quarters of 1992. At the annual rate of just 0.3 percent, it is the lowest figure since March 1963.

Mr. Dawkins said the figure confirmed a fundamental break with the past, placing Australia's inflation rate significantly below the rates of its major trading partners, but the treasurer is quick to claim the low inflation figure did not warrant a cut in interest rate.

Mr. Dawkins also admitted, what has been widely speculated for some time, the government's budget forecast for economic growth at 3 percent this financial has been revised down to 2.5 percent. [end recording]

Fiji

New Zealand To Resume Close Military Links

BK2701123093 Melbourne Radio Australia in English 0500 GMT 27 Jan 93

[Text] Fiji and New Zealand have agreed to resume close military links. The new development was announced in a statement issued at the end of defense cooperation talks between the two countries in Suva.

It said the talks had been successful and would open the way for extensive New Zealand assistance to the Fiji military forces, including an engineering and a naval course. The statement said this was in line with the role of the Fiji military forces in maritime surveillance and rural development. It said the talks also approved the attachment of New Zealand personnel to the Fiji forces and proposal for two joint military excercises later this year. New Zealand cut its defense links with Fiji following the 1987 military coup.

Diplomatic Expulsion Threatens French Ties

BK2801005293 Hong Kong AFP in English 0015 GMT 28 Jan 93

[Text] Suva, Jan 28 (AFP)—A French diplomat has been declared persona non grata and ordered to leave Fiji because of a row over her alleged refusal to pay duty on an imported yacht, major newspapers reported here Thursday.

The diplomat, whose name was not disclosed, was reportedly told this week she had to leave the country by next Tuesday.

The expulsion is said to follow exchanges of correspondence between the diplomat and Customs authorities over their demands for 15,000 Fijian dollars (9,300 U.S.) duty on a yacht she had imported from the United States.

The woman had maintained that under the Vienna Convention diplomats were exempt from all import charges except for storage, cartage and similar services

However, Fiji Government officials argued that as a luxury item the yacht was subject to duty. The French Embassy in Fiji refused Thursday to make any comment on the reports. Charge d'affaires Louis De Corail told AFP it was unlikely that he would be able to comment later either.

The row follows a significant improvement in relations between France and Fiji in recent years. The local diplomatic community is reported to be concerned about a lack of clear government guidelines on duty payable by diplomats.

Papua New Guinea

Closer Cooperation With Malaysia Sought

BK2401054293 Melbourne Radio Australia in English 0500 GMT 24 Oct 93

[Text] Papua New Guinea [PNG] is reported to be striving for closer cooperation with Malaysia to secure itself a place in the Asian market and to expand its manufacturing base. Following a 10-day visit to Singapore and Malaysia, Prime Minister Paias Wingti returned to Port Moresby with plans for strengthening ties with Malaysia. Mr. Wingti told reporters, his government will have close contact with Malaysian officials in the coming months and announced that several PNG ministers would travel to Malaysia in coming weeks. He also announced that the Malaysian trade and industry minister, Datuk Rafidah Aziz, would lead a delegation of business people to PNG next month.

Mr. Wingti said PNG could follow Malaysia's example in changing its economy from one dominated by the export earnings of the resource sector to one led by its manufacturing export earnings. Port Moresby also hopes to attract Malaysian investment in PNG's timber, manufacturing, and mining industries. Mr. Wingti said the response towards investment in PNG from Asia was positive following his address last week to an Asia-Pacific Oil and Gas Conference in Singapore.